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EDITORIAL COMMENT

Greater Boston

Mayor Nichols wants to see Boston improve her position in the census ratings. In 1920 the bureau of the census credited her with 748,060 souls; but in the same year the Boston metropolitan area, as defined by the bureau (being the territory within ten miles of the city's boundaries), had a population of 1,772,254. The game is to devise a plan by which the larger figure will be Boston's population for census purposes thus placing her fourth instead of eleventh among American cities. For the present this must be accomplished without disturbing the autonomy of any town or city within the metropolitan area.

The mayor has been assured by the federal authorities that a legislative definition of what constitutes Boston will be accepted by them when they publish the next population statistics; accordingly all that seems needful is that the legislature create a Greater Boston for census purposes. But Mayor Nichols has something else in mind; he hopes soon to see a true metropolitan Boston under a unified government and he frankly admits that his present proposal is merely an entering wedge.

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Initiative, Referendum and Recall

The city manager charter of Springfield, Ohio, which went into effect in 1914, provides for the initiative, referendum and recall; but none of these devices has yet been invoked in that city. This fulfills the prophecies of many who refused to become alarmed over the impending destruction of representative government by the adoption of direct legislation. In their minds the new tools would be used with moderation after a possible period of early experimentation. Doubtless the heat generated by friends and foes of the initiative and referendum distracted attention from the opportunities and importance of improving the caliber and work of our legislative bodies, but it would now seem that these so-called instruments of democracy have settled down to the performance of their proper function, which is to stand by for an emergency but to remain inactive when the government is functioning properly.

These conclusions are borne out by the tables prepared by Ralph S. Boots and published in the January issue of the REVIEW. They show that the number of times the people have been called upon to participate in direct legislation are negligible in comparison with the number of times they have been summoned to pass on constitutional amendments. As Dr. Boots points out, the latter would be necessary even if the initiative and referendum had never been invented.

Loose Charges Refuted

The Cleveland police department has recently emerged with flying colors from an attack staged by a local judge of the municipal court. This lone crusader announced that he had discovered that gambling was rampant in the city and that it was being carried on with the connivance of City Manager Hopkins and the police department. Fortunately for the good name of Cleveland, the fact appears to be that the judge was manœuvering for some personal publicity and in so doing undertook to capitalize the popular indignation over gambling permitted in the county outside the city limits.

Although the Cleveland police have banished commercialized gambling from the city, the suburban municipalities to which the gamblers fled do not have the staff and oftentimes lack the disposition to enforce the law, and the rural territory in the vicinity of Cleveland must look to the county sheriff, former Mayor Fred Kohler, for protection. Charges have been freely made that he has also been guilty of lax law enforcement. Gambling, unquestionably, has been thriving in the suburban territory. The newspapers have been conducting a brisk campaign against it and the municipal judge saw an opportunity to break into the headlines with charges against the city manager and the municipal police department. But the manager met the issue squarely and demanded a grand jury investigation. This was granted and the grand jury reported that there was no indication that the police department was extending protection to gamblers.

City police departments are frequent victims of loose charges of this nature which invariably do harm rather than good. Not only do they tend to bring the city into disrepute, but their effect is to discredit serious reform movements by calling, "Wolf, wolf," when there is no wolf, and by diverting public attention from real wrongs.

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Kansas City's Chance for Good Government Under New Charter

As readers of the REVIEW are aware, the election of the Kansas City's first council under her new city manager charter was conducted along partisan lines although the ballot was non-partisan in form. The majority of the new council are Democratic and have announced that they intend to operate the city as a Democratic responsibility. Although the charter does not go into effect until April, they have held a caucus and selected H. F. McElroy to be the manager. He will be named at the first meeting of the new council. The new city manager is a partisan Democrat, and has served one term as judge of the county court. He began his career as water boy for a railroad section gang but for the last thirty years has been engaged in the real estate business. He is now sixty years old.

It is recognized that he will appoint Democrats to practically all city positions. But, according to Walter Matscheck, director of the Kansas City Public Service Institute, the situation is far from hopeless. The future manager is a pretty capable man who believes that party administration is not inconsistent with efficient government, and who Mr. Matscheck thinks will be strong enough to keep control of the administration.

Friends of the manager plan have always stressed the importance of divorce of administration from partisan politics; have always insisted that good government and partisan government are contradictory terms. But Kansas City has undertaken to prove that the manager plan is big enough for both.

Mr. Matscheck, while not looking for any startling success, believes that the two are not mutally exclusive. He may be right and he may be wrong. Time will tell. There is a broad-gauged partisanship and there is a narrow-gauged partisanship. If the new manager views his position as an opportunity to reward deserving Democrats, as is implied by his intention to appoint only Democrats (although they are to be good ones), he will be continuing the spoils system and his administration can be only moderately successful. Under such circumstances his partisanship will be narrow-gauged.

Nevertheless, Kansas City has selected the best council which she has had in many years and the charter organizes the government along the right lines.

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University Training for Public Employment

As a result of the annual conference of the West Virginia Municipal League, West Virginia University has joined the list of colleges and universities offering special courses to young men and women who expect to have a part in solving municipal problems.

It is encouraging to follow the growing interest on the part of the educational institutions in the provision of special academic courses in local government administration. Neither officials nor the educational institutions themselves will claim that a university training fits a man or women for a responsible local government administrative position. However, the university authorities and an increasing number of city officials are recognizing that a man trained in the university in the fundamentals of local government administration will, with a reasonable amount of experience or a reasonable period of apprenticeship, as a rule become a more useful and effective public official, than one who has not had a fundamental academic training.

We are particularly interested in a statement made by Samuel Baker, city clerk of London, Ontario, and secretary of the Union of Canadian Municipalities, that the larger cities in the province of Ontario are requiring applicants for responsible administrative positions on the city staffs to show certificates or diplomas that they have completed university courses in the subjects with which they are to deal. The members of the present staffs who have not taken such courses in residence or by correspondence are encouraged to begin correspondence courses at once.

J. G. S.

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Autocracy in the National Budget

Colonel Sherrill, city manager of Cincinnati, presents in this issue of the REVIEW some of his ideas on the national budget-making procedure. Prior to becoming city manager, he was a federal official at Washington, so he speaks from experience on this subject. He believes that while the bureau of the budget has saved money since it was established in 1921, it has developed certain autocrative tendencies in the way it handles the departmental estimates. When these estimates are revised by the bureau of the budget, the departmental units or bureaus are compelled, he claims, to accept the revision under the budgetary rules. Of course, the bureau chiefs are called in when their estimates are gone over and revised. Presumably, these chiefs are given an opportunity at this time to present whatever additional information they may have in support of their estimates. But, says Colonel Sherrill, these meetings between the budget officers and the bureau chiefs are held behind closed doors. This procedure he views as being autocratic.

And why? Because there is no publicity; the bureau chiefs are not permitted to issue statements to the newspapers about the action of the bureau of the budget on their estimates. Especially do the bureau chiefs wish publicity when their estimates are revised downward.

Colonel Sherrill has presented the point of view, we assume, of the bureau chiefs. During his official experience at Washington, he saw the national budget-making procedure from this viewpoint. But let us look at the budget procedure from the standpoint of the president. Under the national budget system, the president is responsible for the budget plan which he presents to congress. The bureau of the budget is the president's staff agency in the preparation of the budget. It is the function of this staff agency to gather the departmental estimates, to review and revise them, and to set up the revised estimates in the form of a tentative budget for the consideration and approval of the president. In order to expedite this work, the bureau of the budget must adopt certain rules. These rules, we presume, have been adopted with the consent of the president.

It remains for the president and the bureau of the budget to see the work of the national government as a whole, to view the various bureaus and offices as parts of a great governmental machine and not as so many separate entities, each being permitted to make much ado about its expenditure needs when its estimates are being considered. The expenditure requirements of the several bureaus must be weighed one against the other and adjusted in the light of their relative importance. Only in this way can the president formulate a complete budget plan for congress, a plan which will balance the necessary expenditure requirements of all agencies with the anticipated income of the government.

These are some of the broader aspects of national budget making. Are they czaristic or autocratic in their tendencies? Or, are they in the interests of executive leadership and in conformity with American traditions?

A. E. B.

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Hughes Report on Administrative Consolidation

The report of the New York State Reorganization Commission, headed by Charles E. Hughes, has been released as we go to press. It consolidates one hundred and eighty state agencies into eighteen administrative departments, and doubtless will be acceptable to the Republican legislature and the Democratic governor. The two recommendations most heavily charged with political interest are the executive budget and the four year term for governor. The commission is in favor of the longer term but says nothing regarding the year in which the governor shall be elected, a matter on which the two parties have divergent opinions.

The recommendations for an executive budget follow the proposals made by the constitutional convention of 1915 with the exception that the legislature is to be permitted to add items of appropriation, which will, however, be subject to executive veto. It is hoped that this will put an end to the nonsense respecting the executive budget in which the Republican members of the legislature have indulged in recent years out of hostility to Governor Smith.

The National Municipal League was well represented on the reorganization commission. Mr. Polk, our president, and Richard S. Childs, vice president, were members of important committees. Mr. Hughes, chairman of the commission, is a vice president of the League and Walter T. Arndt, a member of our committee on municipal nonvoting, was secretary.

CZARISTIC TENDENCIES OF THE NATIONAL BUDGET SYSTEM

BY CLARENCE O. SHERRILL
City Manager of Cincinnati

Colonel Sherrill believes that the budget secrecy enforced upon executive officers is out of place in a republic. :: :: :: :: ::

My position in Washington, as director of public buildings and parks of the National Capitol and the other offices which I held in connection with various matters, made me a member of the National Government Business Organization. This brought me into close touch with the various organizations, centering in Washington and radiating to the various districts throughout the United States.

CO-ORDINATION THROUGH BUDGET BUREAU HAS SAVED MONEY

In addition to very close association with the bureau of the budget in securing funds for the various activities under my charge, I was related to it in my capacity as co-ordinator of motor transport for all the government departments and establishments in the District of Columbia. This duty involved the carrying out of a co-ordinated plan of motor transport, both passenger and truck, for the thirty or forty departments and establishments of the federal government. Before the creation of this co-ordinating agency, it was the common practice for one department to go out into the open market and hire motor transport to meet an important call, although at the same time other agencies of the government might have a large amount of motor transport not then in use. The open market method of hiring transport was a great expense and a great waste of government funds. Large savings of money were made by the installation of the up-to-date methods of co-ordination and as well as by many other improvements of service, such as the centralization of scattered garages under one head and at one place, thus reducing rentals and supervisory cost and improving the character of service and operation.

In this work I came into very close contact with General Smither, chief co-ordinator under the bureau of the budget and came to have a great admiration for his ability and organizing capacity, as well as his tactful method of securing results through co-ordination. The work done by the national government, through the bureau of the budget and its co-ordinating agencies, has been very effective in bringing about a better business administration and a great saving in expense.

AUTOCRATIC METHODS RESPECTING BUDGET ESTIMATES

I have sometimes felt that it is unfortunate that the financial section of the bureau of the budget, which includes the offices which handle the estimates of the different establishments which later go to congress, has not worked with the same consideration and tact that has been followed by the co-ordinating agency. The practice now followed by which the budget hearings are secret, the press or public not being permitted to attend them, was the subject of some discussion between the bureau of the

budget and myself when I was in the government service; and the director of the budget has received severe criticism on the floor of the United States senate because of his total disregard of the views of the public upon estimates for appropriations. Our government is a government by the people and the public should have full opportunity to be heard on the budget and due consideration should be given to their wishes.

The rules of the budget bureau with reference to estimates submitted by the executive departments are so stringent that no government officer of the executive departments is allowed to comment on the adequacies or inadequacies of the findings of the bureau. The result is that no matter how seriously the operations of any department or establishment may be affected, neither the official head of a department nor the head of any individual establishment is permitted to give publicity to the actual facts respecting the treatment which his estimates receive. Under this procedure it is very easy for the bureau of the budget to make so-called savings, which in many cases are not savings at all but simply denials of appropriations.

It is unquestionably true that the head of an executive department of the national government should be given full administrative authority to run his department as he considers best in the interest of the public. It is not proper that the stringent rules of the budget bureau should destroy the initiative and administrative control of the officials.

The budget system of the national government is of the greatest importance, but it is rapidly losing favor and will undoubtedly go into discard through opposition of the people unless some liberal and less czaristic control is put into effect and the strict methods now followed by the bureau of the budget are discarded in favor of open hearings at which the public can express its views.

SAME CRITICISM APPLIES TO COMPTROLLER GENERAL

Another important phase of the business of the government relates to the activities of the general accounting office, whose director is called the comptroller general of the United States. This office was created by the same act that created the bureau of the budget and has entire jurisdiction over the expenditures made by the different departments. It checks up and audits disbursements to see that the laws are carried out.

But there are many things in this establishment, as well as in the bureau of the budget, which require revamping. I am making this statement not all in the way of criticism but simply because I am well acquainted with all of the inside workings of these organizations and know to what extent they are coercing or hampering the executive departments and establishments in the proper administration of government business. I also know that the federal employees are not allowed to speak above a whisper in reference to the activities of these two bureaus, and I feel the views of one who is acquainted with the through government service may be of some value in placing this matter before the public.

SOME PROBLEMS FACING BOSTON'S NEW MAYOR

BY GEORGE H. McCAFFREY
Boston Good Government Association

Mayor Nichols's office is no goodly heritage.

WHILE Boston has again shaken off its "old man of the sea," Mayor Curley, it has by no means shaken off the harmful administrative and financial effects of supporting that incubus for the past four years. The task of the new mayor, Malcolm E. Nichols, is, therefore, unenviable from most angles, but particularly those of finance and internal departmental administration.

EFFICIENCY OF PERSONNEL MUST BE RESTORED

The capable and aggressive group of department heads gathered by Mayor Peters between 1918 and the end of 1921 was quickly replaced by Mayor Curley with political appointees of far lower average ability, and as his administration continued the average sank further. There was a corresponding slump in the morale within the departments from the high level which it had reached under Peters. Favoritism once more became apparent both in discipline and in salary increases. Honest and courageous employees were punished and hampered. The new mayor faces the task of replacing the incompetent department heads with better men. Strong men will not be easy to find, for the salaries now paid have been increased little, if any, since 1910, and were then none too high. The way has been opened, however, for some increases, by raising the mayor's salary from $10,000 to $20,000.

The new mayor must also attack the still more difficult task of restoring the morale and efficiency of the departmental personnel, always more slowly responsive to fair treatment than to the intimidating methods of a Curley. He must do so, moreover, with little recourse to salary increases for this purpose.

By brazen abuse of administrative discretion, Mayor Curley made a sham of awarding city contracts to the "lowest responsible bidder" and seriously impaired the city's reputation for square dealing in this respect. The extent to which this abuse had gone was illustrated last December by the rejection of a responsible firm's bid to refurnish the city council chamber for less than $6,000, and the awarding of the contract to a little-known company for $16,500. This particular case was so raw that after it was exposed by the Finance Commission payment was stopped, but the fact that a contract could be awarded under such circumstances indicated clearly the policy of the administration. This abuse has stopped, but it will take time before the city secures the full benefit of this cessation in the competition for new contracts.

BETTER RELATIONS WITH LEGISLATURE

The Massachusetts legislature keeps close control on Boston's city government, especially in financial affairs. During the Curley administration the legislature had so little confidence in the city government that little or no

progress could be made in any direction. This condition should be more easily remedied than the others, because Mayor Nichols has served in both houses of the legislature, is popular with many of its present leaders and is the first Republican to be elected mayor since 1907. It is probable that his requests concerning legislation will be at least more favorably considered than those of his predecessor.

A major problem, which must be so considered, is the devising of some method by which the business and social district, embraced by the term "Metropolitan Boston," can be officially recognized and progress in coordinating the affairs of its forty cities and towns begin. That task is difficult because of local traditions, natural complexity and the inertia to be overcome, but it has been undertaken and although little will be accomplished this year, the matter will be pushed steadily. Another large problem is the plan to construct a new, main thoroughfare around the business district at a cost variously estimated to be from $22,000,000 to $30,000,000. The traffic congestion prevailing in Boston's business district is indubitable, but strong arguments are made both for and against this plan. The bulk of popular support appears to be in favor of the plan, but if it is adopted the financial burden will be so considerable as to preclude action on many other meritorious but smaller improvements elsewhere, and any increase in the financial burdens will be most inopportune at this time. Mayor Nichols has declared himself as yet unconvinced that this plan should be adopted.

HIGHER TAX RATE INEVITABLE

Like other cities, Boston has felt the financial strain of the post-war demand for improvements and extensions. Expenses of the city would inevitably have increased even if the last administration had been economical and efficient. It was the opposite, but through the increased revenue from the building boom, discarding the pay-as-you-go policy in some ways, borrowing as heavily as possible, increasing the tax rate two dollars and a fortuitous shortening of the last fiscal year to eleven months, the day of reckoning was postponed.

Now the piper must be paid. Mayor Nichols considered the situation so critical that he devoted his entire inaugural address to it. Boston needs $8,300,000 additional tax revenue this year. That means increasing the tax rate from $26.70 to $32. The alternative is to reduce the increase now and face much greater increases later. The mayor inclines to the former choice. He has indicated his intention to abandon the pay-as-you-go policy in new school construction, which has been followed for ten years, to the extent of paying for half of such construction out of bond issues. Still further increases would be necessary to meet the cost of any large-scale improvements, except an increase in the police force. It would be possible, however, with this increase to stop issuing bonds to repave streets, which the Curley administration revived last year.

The Finance Commission dropped its practice of carefully reviewing departmental budget estimates in 1922, because the work was futile in view of Curley's insulting attitude towards its recommendations. This work has now been resumed and, with their assistance, Mayor Nichols can undoubtedly make the segregated budget a bulwark of economy instead of a cloak for extravagance.

Boston now has a council of twenty-two members, one elected from each ward, in place of its old council of

nine elected at large. As usual, a minority of those voting elected all the members, and the proportion of able men with sound ideas is not much changed from the old council. One of the ablest members was unexpectedly chosen president through a division of the "gang" forces, but it is still too early to predict how difficult the task will be to square the needs of the whole city with the demands of each ward. It is safe to predict that it will not be easy even by comparison with the other labors of the new mayor.

ZONING HELD CONSTITUTIONAL IN ILLINOIS

BY NEWMAN F. BAKER

Graduate Fellow, University of Chicago Law School

THE recent decision by the supreme court of Illinois in the case of *City of Aurora* v. *Burns, et al.* (No. 16137) has settled the question of the constitutionality of zoning in that state. Illinois passed an enabling act in 1921 and amended it in 1923. Under these acts thirty-six Illinois municipalities have zoned, relying upon the supreme court to uphold such ordinances at a later date.

FIRST OPINION UNFAVORABLE

In February, 1925, the supreme court decided the case of *City of Aurora* v. *Burns* and, while the court did not hold zoning to be unconstitutional, grave doubt was cast upon the validity of comprehensive zoning ordinances. The court cited cases upholding zoning and then cited cases which purported to hold zoning to be an improper exercise of the police power. The court went on to say that "in view of our conclusion on another question presented, it will not be necessary for us to decide, and we do not now express an opinion on, the fundamental question whether legislation zoning cities in the manner attempted by the ordinance here involved is a proper exercise of the police power."

The court held the Aurora ordinance invalid as contravening section 22 of article 4 of the Constitution of 1870, which provides that the general assembly shall not pass local or special laws granting to any corporation, association or individual any special or exclusive privilege, immunity or franchise whatever. It seems that within the "B" district of Aurora there were already established twelve grocery stores before the appellants were denied the permit to erect a store in the restricted district. Section 14 of the ordinance contains this provision: ". . . provided, that nothing in this section shall prevent the continuance of the present occupancy or use existing at the time of adopting the ordinance." Hence, the law was *not retroactive* and the existing stores were allowed to continue as non-conforming uses. The court saw discrimination in this. To the court it appeared that the appellant was forbidden to erect the store which he desired, while in the same district there were twelve other stores in operation, selling the same kind of goods which the appellant desired to

sell, occupying the same kind of building from which the appellant was excluded. Citing *People* v. *Kaul*,[1] *City of Cairo* v. *Feuchter*[2] and *Tugman* v. *City of Chicago*,[3] the court held the ordinance unconstitutional as an illegal discrimination in favor of non-conforming uses.

While this decision did not declare zoning to be unconstitutional it made it almost impossible to zone a city in a comprehensive way. In a city such as Chicago it would cause great hardship to enforce retroactive provisions and oust existing stores when they constituted an honest and lawful investment at the time they were made. The court intimated that the difficulties caused by its decision could be obviated by creating districts that would not be "as large or as uniform as might be desired in many instances," i.e., by making a business district for each of the alien uses. But it is seldom, in developed parts of cities, that districts of a given character are entirely without buildings devoted to an alien use. While it might be possible theoretically to design districts under these circumstances, it would be extremely difficult in the larger and older cities. The decision was widely criticized and a rehearing was granted.

COMPREHENSIVE ZONING CONSTITUTIONAL ON REHEARING

In December, 1925, the supreme court handed down its decision on the rehearing and held comprehensive zoning in Illinois to be constitutional. The Court said:

> The constantly increasing density of our urban populations, the multiplying forms of industry and the growing complexity of our civilization make it necessary for the State, either directly or through some public agency by its sanction, to limit individual activities to a greater extent than formerly. With the growth and development of the State the police power necessarily develops, within reasonable bounds, to meet the changing conditions. The power is not circumscribed by precedents arising out of past conditions, but is elastic and capable of expansion in order to keep pace with human progress.
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> The State imposes restraints upon individual conduct. Likewise its interests justify restraints upon the uses to which private property may be devoted. By the protection of individual rights the State is not deprived of the power to protect itself or to promote the general welfare. Uses of private property detrimental to the community's welfare may be regulated or even prohibited. The harmless may sometimes be brought within the regulation or prohibition in order to abate or destroy the harmful. The segregation of industries, commercial pursuits, and dwellings to particular districts in a city, when exercised reasonably, may bear a rational relation to the health, morals, safety and general welfare of the community.

Moreover, the court saw no discrimination in the failure to make the ordinance retroactive. It is interesting to note that the opinion reviews the cases cited in support of its former opinion and now finds nothing in them upon which an argument against the constitutionality of the ordinance can be based. The court said:

> Zoning necessarily involves a consideration of the community as a whole and a comprehensive view of its needs. An arbitrary creation of districts, without regard to existing conditions or future growth and development, is not a proper exercise of the police power and is not sustainable. No general zoning plan, however, can be inaugurated without incurring complaints of hardship in particular instances. But the individual whose use of his property may be restricted is not the only person to be considered. The great majority, whose enjoyment of their property rights requires the imposition of restrictions upon the uses to which private property may be put, must also be taken into consideration. The exclusion of places of business from residential districts is not a declara-

[1] (1922) 302 Ill. 317, 143 N. E. 740.
[2] (1895) 159 Ill. 155, 42 N. E. 308.
[3] (1875) 78 Ill. 405.

tion that such places are nuisances or that they are to be suppressed as such, but it is a part of the general plan by which the city's territory is allotted to different uses in order to prevent, or at least reduce, the congestion, disorder and dangers which often inhere in unregulated municipal development. . . . Even if appellants' property could be used more profitably for business than for residential purposes, that fact would be inconsequential in the broad aspects of the case. Every exercise of the police power relating to the use of land is likely to affect adversely the property rights of some individual.

This decision was very welcome to the state of Illinois and it relieved the uncertainty of the past two years as to the validity of a great variety of ordinances and restrictions. The *Aurora* case undoubtedly will be considered an important precedent in other states should the question of the existing non-conforming use arise.

MUNICIPAL TAXATION OF BILLBOARDS

BY HARRY BARTH
University of Oklahoma

The billboard tax has been sustained by the Supreme Court but the methods vary widely and are sometimes inequitable. :: :: ::

THE constitutionality of the taxation of billboards was decided favorably in the case of the *The St. Louis Poster Advertising Co.* v. *the City of St. Louis*, 249 U. S. 269. The tax in question was quite nominal, one dollar for every five lineal feet, but this does not detract from its potency as a precedent. The decision in favor of taxation was broad and sweeping. Justice Holmes, with the assent of the entire court, announced that, "If the city desires to discourage billboards by a high tax, we know of nothing to hinder, even apart from the right to prohibit them altogether, asserted in the Thomas Cusack Company's case." This is permission to go the limit. The decision places beyond dispute the great many taxes now placed on the business, and any taxes which may hereafter be levied.

EDITORIAL NOTE.—A table showing methods of billboard taxation in selected cities, prepared by J. Russell Hogge, has been submitted by Mr. Barth and will be sent on a loan basis to any one interested.

WHY BILLBOARDS SHOULD BE TAXED

The reasons for taxing billboards are almost self-evident. In the first place, billboards are coming to be looked upon as unsightly and unhealthy. That they are unsightly is evident to the least developed aesthetic sense. That they are unhealthy, because they furnish a breeding ground for disease in the rubbish which accumulates around their base, has been recognized by the supreme court of the United States (*Thomas Cusack Co.* v. *Chicago*, 242 U. S. 526). They also furnish a source of fires. In any country where the annual fire loss is as overwhelming as in the United States, due precaution should be taken to lower the possibility of conflagrations. Elimination of billboards and the rubbish which inevitably accumulates near them seems logical. In

addition, they provide a convenient screen for footpads and also serve to hide immoral practices.

In the second place, they depreciate property values. A building loses anywhere from five to twenty-five per cent in value through the location of an adjacent billboard. Taxation will tend to restrict the erection of billboards, and in that way remove unsightly, unhealthy objects from our environment, and objects which tend to lower real estate values.

In the third place, the taxation of billboards furnishes an additional source of revenues for our cities, many of which are hard pressed for funds to carry on even the minimum activities associated with municipal government. Just what the gross receipts and net profits of the billboard business are cannot be ascertained. Estimates place the number of cities and towns with one or more bill posting establishments at between nine and ten thousand. Other estimates show that in one hundred and forty-three leading cities there are two hundred and fifty thousand electric signs. An estimate as to the volume of the business of painted signs plants is $28,000,000 per year.[1] This evidence is sufficient to warrant the assumption that the industry is sufficiently large to bear a considerable tax burden.

DIFFERENT FORMS OF TAXATION

Various methods are employed in taxing billboards. One is to levy an annual license tax. This tax may be graduated according to the area of the billboard. The tax of the city of Alameda, California, illustrates the principle involved, though it is too high in amount to be typical. Billboards with an area of less than a thousand square feet are taxed $100. Areas up to ten thousand are taxed $150, to twenty thousand, $200, and above this amount, $300.

Contrasted to the tax on area is the flat rate unit tax, which represents no attempt to grade according to any standard. It merely places a tax on any sign in the billboard category, and is not widely employed. Yonkers, New York, with an annual tax of $2 on each board, Sheridan, Wyoming, with an annual tax of $25, and Omaha, Nebraska, with an annual tax of $250 are illustrative. The flat rate license on bill poster concerns is similar. This tax is placed on each individual concern regardless of the amount of business done. In the smaller towns, it is usually expressed as a certain amount of money per day, in the larger it is assessed annually. There is no uniformity in the amount charged. The tax of Springfield, Missouri, of $75 annually on firms doing out-door advertising is typical. Belleville, Illinois, with an annual tax of $25, a six months' fee of $12.50, and a fee of $3 daily is illustrative of small towns.

Of course, there is some doubt as to whether some of these so-called taxes are really taxes at all. It depends entirely upon the degree of special benefit conferred in return for the sums exacted. Probably, however, there is usually no special benefit, and therefore the exaction may be properly looked upon as taxation.

The only tax which attempts to grade in accordance with value is that levied according to gross business. This is quite popular. Bellingham, Washington's, tax of one-half of one per cent of gross revenue is illustrative. Usually, however, the tax is stated as a fixed amount between definite limits. The tax at Birmingham, Alabama, placing a charge of $25 where the business is less than $5,000, $50 where the business is between $5,000 and $10,000, $100 where the business is

[1] Crain's *Market Data Book*.

between $10,000 and $15,000, $150 where the business is between $15,000 and $25,000, $300 where the business is between $25,000 and $35,000, and $350 for business over $35,000, is a usual one.

ARE THE TAXES LEVIED PROPERLY?

This brief survey of billboard taxation naturally brings up the question: To what extent do these taxes conform to equity, to what degree are they in accordance with taxation principles? What should be the characteristics of a model system of billboard taxation?

Clearly a tax which is not graduated in accordance with value is inequitable. To grade the tax merely in accordance with the size of the billboard does not achieve equity. What is much more significant, the location of the board, is seldom employed as the index. Baltimore grades the tax on electric signs in accordance with streets. On the main streets the tax is twice as heavy as on those of secondary importance. This tax is, however, unique. The flat rate unit tax is, of course, much more inequitable than the tax graded in accordance with area. The flat rate license on bill posters is equally inequitable. Regardless of the quantity of business, the tax remains fixed.

The only tax which conforms to value is that on gross production. The chances are that a firm charges rental for billboard space in direct proportion to the value of the location as an advertising medium. A board at the end of a street, furnishing an unobstructed view of the advertisement, will be valued accordingly. A board on a street frequented by persons in large numbers, with considerable incomes, will also be charged for accordingly. To assess gross receipts will, as a result, tax the value of the board with exactness. No better test of values may be secured than the judgment of the men who deal in the commodity.

Several other questions arise in connection with a tax on gross production. Will the tax be shifted? And, to the extent which it is not shifted will it conform to the ability to pay?

Usually when a gross receipts tax is considered, it is condemned on the ground that it can be shifted. It is true of course that a tax on gross receipts is usually shifted, because the marginal producer is taxed along with those who are more prosperous. Probably the tax on billboards will be shifted in large part. But is this a defect? Shall we who are interested in eliminating the billboard nuisance object if the advertiser bears the burden of the tax? Decidedly not; in fact, nothing is more in accord with our desires. After all, it is the advertiser whom we wish to reach. It is he in whom inhibitions should be set up. He should be hindered in his desire to parade his product before the public eye.

Assuming, however, that due to an inelastic demand, part of the tax may not be shifted, will the tax as borne by the bill posting companies conform to ability to pay? To answer this question a study of the costs of various firms in the industry would first have to be made. We cannot be dogmatic without facts. We can make some guesses. Most of the labor in the industry is manual. In addition, the business is relatively simple to conduct. Probably, therefore, there is no great variation in costs, which are likely standardized. With standardized costs, the assumption may be reasonably made that an assessment against gross receipts will be equitable as between competing concerns.

Another factor enters to make gross receipts the index for taxation. Any accounting system shows gross re-

ceipts. This makes the tax easy to collect. In addition it removes suspicion on the part of competitors that other firms are evading the tax.

The tax should be expressed in terms of a percentage. Most of the taxes, as stated above, are fixed amounts within stipulated limits. Within any limits, these taxes are regressive. A percentage eliminates this defect, and serves to protect the smaller competitor who is discriminated against by most of the taxes now employed. The tax of San Francisco is illustrative. This places a tax of seven and one-half per cent on receipts under a thousand dollars, four and one-half per cent on receipts of $1,999, one and one-half per cent on receipts of $9,999, and less than one per cent on receipts of $24,999.

As to the amount which the tax should levy, little can be stated. The average tax now does probably not exceed one per cent of gross income. It could reasonably go ten per cent. There are two criteria by which to judge, and upon the one selected will the amount of the tax depend. Is the tax to be for revenue? Or is it to be for protection against eye sores? Regardless as to the object selected, a test as to the proper amount will have to be made for each individual city.

THE CONFERENCE ON POLITICS

AN APPRAISAL FROM THE MEMBERS' VIEWPOINT

BY MARTIN L. FAUST
University of Pittsburgh

Frank criticism, as well as frank confession, is good for the soul. The other side of last month's rosy picture of the Conference. :: ::

My appraisal of the Conference on the Science of Politics is based on the experience of the members of the rank and file who have attended one or more of the three annual meetings. The ultimate objective of the Conference, I believe, is a more intelligent control of the process of government. In the furtherance of this end, the more immediate and specific aim is the application of the methods of science to the material and facts of politics. But why, we may ask, should we in the pursuit of these objectives convene a Conference? Why have a national conference on the science of politics? The answer is, I believe, because the problems of methodology present such insuperable difficulties that we can proceed to their solution only by the method of co-operative intellectual inquiry. The co-operative working of many minds and of the best minds seems to be the only hope we have of acquiring a competent acquaintance with the whole of this vast realm we are attempting to explore. Moreover, this is the age of conference.

PERFORMANCE DISAPPOINTING

With these introductory remarks as a background, I wish now to proceed to the appraisal of the Conference in the light of specific performance. I base

my comments on communications which I have received from members of the rank and file who have been in attendance.

It is my sincere belief that the conviction permeates the rank and file that the Conference has not made appreciable progress on the road towards the achievement of its avowed objectives. Interpretations of the results of the conferences invariably reflect pessimism, despair, and disillusionment. I quote the following from letters of the members illustrating this general attitude:

"I do not feel that the group unearthed any new ideas or plans of procedure for research."

"My views with regard to the Conference are decidedly pessimistic."

"My own opinion was that the Conference was declining."

"Our round table, at least, was far from a success."

"It does not seem to me that this Conference contributed anything toward raising politics to the status of a science."

"On the whole the characteristic of the entire Conference seemed to be one of desperate and rather blind hopefulness. It was a progression in a labyrinth."

"The round table which I attended was a flop."

These are typical statements. These statements, I wish to emphasize, are not comments of casual visitors. But they are expressions of opinion by members who have been conscientious in their attendance at the meetings of one or more of the Conferences.

The first criticism of the rank and file is that the Conference round tables cannot get very far in the development of methods merely by discussing the ideally best way of approaching the subject. The Political Research Committee of 1923 in a report cautioned against this very thing:

> Methods of approach to politics may easily be the most sterile subject of inquiry, if not followed by actual trials and tests. The discussion of methods has its greatest value as a by-product of specific undertakings, as an analysis of the strength and weakness of various going tasks of scientific political inquiry, in connection with actual pieces of investigation.

The follow-up work, so far as I am aware, has been negligible. It certainly has not by any means reached its potential limits. It is only through experience with specific research problems, which we can present for criticism, that we can make these conferences interesting and beneficial. As one member expressed it to me, "How in the hell can we know what an ideal test is, until we actually work with it in connection with practical politics?" Unless talk is supplemented by experimentation, much of the value of what the conferences stand for is lost. While method is absolutely essential to scientific investigation, it is after all a means to an end, and the end must justify the method. Methodological discussion alone will not develop much in the way of scientific advance.

PREPARATION IS LACKING

A second criticism, and one which is the logical consequence of the condition referred to in the first criticism, is the lack of preparation on the part of both leaders and members of the round tables. This criticism has particular applicability to the New York Conference. A failure to formulate with precision the subject matter was conspicuous in certain round tables, and as a consequence in such instances, a considerable part of the time was spent in very aimless discussion. Unless by careful preparation we more clearly articulate the precise problems in advance of the meetings, we cannot

expect during the comparatively short period of the conference to achieve results of genuine value. A lack of appreciation of the problem inevitably tends to drive the discussion very far afield. It is highly important that data of a descriptive character which is to be presented to discuss validity of method should be reduced to proportions susceptible of round table criticism.

Again, if the Conference is to achieve any signal success, continuity in personnel and continuity in subject matter are indispensable. Continuity in round table leadership is particularly essential. It is only as we accumulate experience by successive attacks on the problems of method that we can hope to make any scientific advance. One of the chief defects in the past has been that the personnel of the groups has changed from year to year, making it necessary to begin all over again every year. The value of the Conference can be increased an hundredfold, if a nucleus of veterans can be kept in each group.

PERSONNEL FORGETFUL OF REAL PURPOSE

Another circumstance which seems to be a cause of irritation is the fact that there have been in attendance at the meetings a number of persons forgetful of their real purpose, that of inquiring into and discovering principles and methods of research. These persons were constantly seeking to get specific information on the particular problems in which they were interested, instead of trying to develop methods of investigation into those problems. These persons who were completing their education in public not only had little to contribute to the formulation of scientific methods, but they actually proved a handicap to the round tables with which they were identified. Leaders of the round tables also in some instances, it seems, have not caught the spirit of the Conference, since they directed the work of their round tables with reference to the study of particular projects, and not with reference to questions of the scientific method of investigating those projects.

But I come now to what I presume is the crucial factor in the success or failure of any institution, that is the human factor, the factor of personnel. Very vital to the success of the Conference is this factor of personnel. Unless we can attract to these conferences men of imagination and genius, individuals representing a variety of experience as well as an accumulation of experience, our meetings are foreordained to failure. I believe the Conference has been declining in the opinion of the rank and file, because the number of really important people present has been relatively few. A large part of the membership at the different round tables has included novices, and among them I classify myself, individuals who are eager, interested, and open-minded, but more or less empty-minded. In the past, leaders of certain round tables have not only been inadequately prepared, but occasionally the men chosen have not been men of recognized standing and experience. It is also regrettable that among those conspicuous by their absence were the individuals from the kindred although not identical disciplines who by their presence might have added their cynicism to the embryo discussion of methodology as applied to the problems considered. Members of the rank and file are also emphatic in their belief that we should enlist the services of some engaged in practical administrative work. In order to attract competent leaders, experienced individuals from the allied sciences, and competent men from practical administrative work, it is suggested that we compensate such persons for their services.

NEW YORK TOO DIVERTING

Finally, I might add that many of the rank and file attribute the failure of the last Conference to the fact that it was held in New York City. Many of the important people from the East expected by reason of this change in location did not appear. But meeting in a large city where there are a thousand and one distractions is regarded by many as a serious mistake. Instead it is suggested we pick some more bucolic spot where we can commune together in an atmosphere of peaceful pondering and sweet reasonableness.

Members of the Conference—with the exception of a few who are avowed agnostics on the objectives of the Conference—urge the continuance of the National Conference on the Science of Politics. But they are firm in their belief that it must be a modified continuance. We can no longer assemble for a week, talk about methods of scientific inquiry, adjourn and immediately forget all about the matters discussed, come back again another year and go through the same ritual. If the Conference is to succeed in the future, we can no longer muddle along as we have in the past. Our haphazard methods of conference procedure must become truly scientific.

THE MARYLAND ONE-MAN CIVIL SERVICE COMMISSION

BY OLIVER C. SHORT

State Employment Commissioner of Maryland

The Conference Committee on Civil Service, in its report published in the January issue of Personnel Studies, could not agree upon any single type of civil service commission as the best. Among those discussed was the one-man commission, new to the United States, but in force in Maryland since 1920. :: :: :: :: :: ::

In the United States there are three one-man civil service commissions: St. Paul, Minnesota; State of California and State of Maryland. The five province commissions of Canada are also one-man commissions, although the functions exercised by the Canadian commissions differ in many essential respects from the functions usually exercised by commissions in the United States. In the Canadian provinces, the commissioner exercises considerable control over inter-departmental organizations, reorganization and personnel adjustment.

In St. Paul, the city comptroller also serves as commissioner of the civil service bureau, and under him is a trained, experienced secretary and chief examiner, who devotes full time to the duties of administration of the merit system law of the city.

Until June of 1925 the commission of the state of California consisted of an executive member and two associates. The executive member devoted a great deal more time to the duties of the office and was paid a larger compensation, than the associate members. By act of legislature the

positions of the two associates were abolished, and the compensation of the executive member increased, so that, since June of 1925, the California state commission has been a one-man commission.

FUNCTIONS CLASSIFIED

In describing how a one-man civil service commission handles his office, I am manifestly speaking for the Maryland commission only. The essential features in connection with the administration of a merit system law are obviously the same, but the procedure, details and routine of administration, must differ in accordance with individual characteristics of the administors and will be governed by local conditions.

Broadly speaking, the functions of any civil service commission are of three types; quasi-legislative, quasi-judicial, and administrative. The quasi-legislative functions include such matters as the formulation and adoption of rules and regulations which have the effect of law, the adoption of duties or occupational classification plans, that is, putting into effect and keeping effective a complete job specification and the exercise of varying degrees of responsibility with regard to the development and administration of compensation plans. The quasi-judicial functions include such matters as investigations of the operation of the law under which the civil service commission operates or of the personnel matters in general, the designation of positions to be included in the various sub-groups of the classified service, the cancellation of employment lists, the conduct of investigations and the holding of hearings in connection with the removal of employees against whom charges are brought. In connection with some of these matters, the civil service commission holds public hearings, sits as a judicial body and is given the power to subpoena witnesses, to administer oaths, to compel the production of papers, and records, and to make and enforce findings. The administrative functions include such matters as the scheduling and holding of examinations, the preparation and rating of examination papers, the conducting of personal interviews, the preparation of employment lists, the certification of eligibles, the maintaining of departmental rosters, the checking of payrolls and the handling of correspondence, the preparation of hearing rosters and the maintaining of official contacts with other departments and institutions in all personnel matters.

THE LAW AS AT FIRST IN FORCE

The merit system law of Maryland, when adopted in 1920, provided for a part-time salaried one-man commission, and under him a full-time experienced secretary and chief examiner, who should be in charge, under the commissioner, of the administrative work in connection with the office. This condition existed until 1922, when, by legislative action, the position of commissioner was made full-time without any change in salary. The amended law provided that the duties heretofore performed by the secretary and chief examiner should be handled by the commissioner.

During the period from 1920 to 1922 the commissioner did not maintain an office or desk at the office of the commission, but retained in his private office separate files of literature, civil service data and copies of correspondence, both of that which he himself wrote, and much of that written by the secretary and chief examiner. The layout of the civil service office with equipment, files, forms, etc., was planned, with the evident intention

that the secretary and chief examiner should be the chief administrative officer of the commission, and should be allowed practically a free hand in the conduct of the office, the assignment of duties to the various employees, the preparation of questions and rating of examination papers, and other details of administration. No regular commission meetings were held.

In connection with the quasi-legislative functions, it was customary for the secretary and chief examiner to work out plans, prepare in tentative form duties or occupational classification, draft changes and amendments to rules and regulations and the duties classifications, plan and work out in tentative form other matters of such nature, and then meet with the commissioner in his private office and go over such questions in detail for his suggestions, changes, alterations, amendments, approval, and adoption or decision for rejection.

In connection with the quasi-judicial functions, it was customary for the secretary and chief examiner to record all matters pertaining to the operation of the law which came to his attention at the office of the commission, or were brought out as a result of his investigations among the departments and institutions of the state government; to handle the correspondence in connection with suspensions and removals; to prepare rosters of hearings in connection with charges brought against employees; to subpoena witnesses in the name of the commission and to arrange for the time and place of hearings. While the commissioner, under the law, had the authority to designate the secretary and chief examiner, or any member of his office or even to select separate boards to hear the testimony in connection with charges and administer oaths incident thereto, he never so delegated the power, but instead heard all such cases in person, rendered his decisions and issued the orders in connection with his findings.

CLOSE CONTACT WITH DEPARTMENT HEADS

The commissioner maintained a rather intimate relationship with the heads of the departments and handled at his private office many matters of a quasi-legislative and quasi-judicial nature and certain administrative problems. Often department heads, interested citizens and representatives of organizations would correspond directly with him, communicate with him by telephone or visit him at his office. Many matters in connection with the administration of the merit system law were disposed of by him without their being turned over to the secretary and chief examiner or made matter of record at the time in the civil service office. Records were kept, however, in the civil service file at the commissioner's office, and all essential papers later were sent to the office of the commission.

Although many such informal and some formal conferences were held at the commissioner's private office, the chief official contact of the commission with the appointing authorities was made through the secretary and chief examiner. It was a studied policy of the commissioner to refer inquiries to the office of the commission even though he was able to handle them himself, inasmuch as he was an ardent advocate of the merit principle and a student of its application, and it was an evident desire on his part early and definitely to establish the state employment commission as a recognized department of the state government.

In connection with the administrative functions of the office, the secretary and chief examiner was left practically a free hand. The com-

missioner frequently reviewed questions prepared for examinations, occasionally checked up on the rating of papers, passed upon changes in forms used by the commission and was responsible for the departmental policies. He never personally conducted any of the examinations and he left the details of certification, appointments, records, pay roll checking and office statistics to the attention of the secretary and chief examiner.

AMENDMENT FURTHER CONSOLIDATES THE OFFICE

The amendment to the merit system law of Maryland that was adopted in 1922 would not have gone into effect until January 1, 1923. It was manifest from the time of the passage of the act that the existing commissioner would not be interested in accepting the full-time position, and it was evident that, unless a decided retrogression was to take place, the commissioner appointed under the amended law should be a person familiar with civil service practices and trained and experienced in the administration of merit system laws. But in March of 1922, the commissioner met with a fatal automobile accident and the governor appointed the secretary and chief examiner as commissioner for the unexpired term. Even though there was almost a full year of operation before the amended law should go into effect, the newly appointed commissioner did not select a secretary and chief examiner, but began at once the administration of the law in accordance with the manifest intention of the amendment recently adopted.

Since April 1, 1922, the Maryland state commission has, therefore, functioned under a one-man full-time commissioner, with full authority and responsibility in connection with the quasi-legislative, quasi-judicial and administrative functions, and subject directly to the governor.

The commissioner conducts all interviews and hearings at the office of the commission, except such as are arranged at the offices of department heads, or elsewhere at the convenience of interested parties. He handles and is responsible for all matters of a quasi-legislative nature and of a quasi-judicial nature. He has, however, taken advantage of the provision of the law whereby he may select a board to hear and submit its findings in the matter of charges in connection with removals. This provision for delegation of authority is not an established practice, but is used only in particular cases. He is in direct charge of the office organization, prepares or supervises the preparation of all examination questions; rates or supervises the ratings of all examination papers; is chairman of all personal interview boards in connection with special examinations; establishes and is responsible for the policy of the department; and maintains the official contact with the heads of other departments, interested persons and organizations, and the public in general.

The staff of the commission consists of a chief clerk, a stenographer and two other clerks, with occasional additional clerical assistance on peak loads. One of the regular clerks assists in connection with examination processes, devoting the greater portion of her time to the scheduling of examinations, the arranging questions, the compiling ratings and the preparation of employment lists. The other clerk devotes most of her time to the checking of pay-rolls and making roster changes. The chief clerk handles the financial records of the office, keeps up with the office needs in the way of supplies and equipment, requisitions and follows up orders, handles the advertising, re-

ceives and records requests from state agencies for help and interviews applicants for a number of the lower grade positions in the service. The stenographer handles the general office correspondence. There is no sharp separation among the duties of the several persons connected with the office. A general over-lapping of duties is essential in completing and carrying out much of the office routine and many necessary details.

Special examiners are used in connection with some of the higher grade examinations. The majority of these render their services without charge, while others are paid on the per diem or per piece basis.

The commissioner is the commission's representative at the various national conventions dealing with personnel matters; is a technical consultant for the Bureau of Public Personnel Administration; establishes contact with civic groups, men and women organizations throughout the state and in other states, and is a member of the governor's cabinet.

THREE TYPES COMPARED

Since 1918, the people of Maryland have witnessed the operation of three types of civil service commissions; the part-time salaried one-man commission, with a secretary and chief examiner; the full-time one-man commission without a secretary and chief examiner; and in the city of Baltimore a three-man, non-salaried board, with a secretary and chief examiner as administrative officer.

The feeling is rather general in Maryland that it does not make very much difference which method obtains, provided the law is administered efficiently, honestly and in good faith. The fewer the number on the commission, the quicker the action. If the action is good, the results will be good. If the action is bad, the results will be bad.

The complete fulfillment of the functions of the civil service commission means more than simply passing upon qualifications of applicants for public positions. The commission is not living up to its opportunities if it is not also an agency of co-operation, an agency with an interest in public service efficiency, an agency having, in common with the heads of the departments and institutions it is serving, an interest in public service efficiency; an agency possessed with a complete understanding of the needs and plans for growth or changes of the departments and assisting in every way possible to bring about the highest degree of efficiency so far as quality and effectiveness of the personnel are concerned.

SKETCHES OF AMERICAN MAYORS

I. JOHN F. HYLAN OF NEW YORK

BY EPEXEGETICUS

This is the first of a series of articles upon some famous municipal executives. Surely their personalities and methods deserve as close study as the charter provisions under which they operate. Later some city managers may be added (see NATIONAL MUNICIPAL REVIEW *for December for a story on City Manager Hopkins of Cleveland).*

John F. Hylan, a poor boy, born and reared in a country village, was snatched from obscurity to be elected mayor of the nation's largest city and re-elected by an enormous plurality. He turned his most vocal and vitriolic enemies into political assets and lost a third term because Tammany, fearing perhaps that he was growing too powerful, abandoned him. What were the human factors attending his rise and fall?

ON the 20th of April, 1868, in the village of Hunter, Greene County, N. Y., eight miles from where Rip Van Winkle went to sleep, there first saw the light one destined to be the mayor of the greatest city of the American Empire. Born of poor but honest parents, John F. Hylan grew sturdily on his father's farm, but soon found that his home town offered little for a youth of enterprise and ambition. At the age of nineteen he left the mountain farm and arrived in the great city with $1.50 in cash and barely a change of clothing as his worldly assets. His boat landed him in the neighborhood of City Hall. There were no skyscrapers in those days. Brooklyn Bridge, which had just been opened, towered alone over the landscape. He crossed it and found himself face to face with the transit problem, to wit, the elevated railroad which was then under construction in Brooklyn. Without stopping to enquire whether the new line would be operated at a five cent fare, he clambered up the structure and applied for a job. Working for the Stony Mountain and Katerskill Rail-Road Company back home, he had earned the little money with which he set out for New York. Hard work raised him next year to the post of fireman on one of the steam engines then used on the road. Another year or two found him a licensed engineer.

HE BECOMES A LAWYER

Now earning $3.00 a day, he felt encouraged to return to his home town and consumate a romance which his departure to the city had interrupted. The couple settled in Brooklyn, where they continued to live even after he became mayor. In all he spent nine years on the railroad, only to be "fired" in the end for almost running over a superintendent, in which matter the latter may not have been wholly without fault. The loss of his job was really of little moment to him now for he was about to take the examination for admission to the bar which he presently passed. For some years back, virtually since his marriage, he had been studying diligently in his spare hours at grammar and law school. Whether this abrupt termination of his connection with the railroad

company convinced him that the "traction interests" were the indefatigable enemies of the people, we cannot say. It is certain, however, that despite the brief and limited character of his experience with urban rapid transit, he ever after felt supremely confident that there was nothing that anyone could tell him about that or any kindred subject. When, twenty-eight years later he was testifying in connection with a transit investigation, he brushed aside impatiently all the findings of engineers and railroad experts, with the announcement that he was "an old railroad man."

The ten years of law practice were doubtless among the most important and are certainly now the most obscure in the career of the future mayor. His name never appeared in connection with a single important case. His work brought him frequently into the police courts and he handled as well a small volume of petty civil litigation. His practice threw him in with a rather strange assortment of individuals such as is found at the foot of the legal profession in any large city. During this period he developed a little group of close associates with whom he never ceased to be identified during his public life. One was a lawyer who had several times been indicted and once threatened with disbarment. Another was also a lawyer afterwards indicted for bribery and removed from office; a third was a vaudeville entertainer later to turn politician. Abler than he by a good bit and probably less scrupulous, they were to be his mentors for the next twenty years.

ENTRANCE INTO POLITICS

The law also left him leisure for politics, in which he appears to have become interested almost as soon as he came to Brooklyn. He had served his apprenticeship about the district club, faithfully and loyally, and he was now "one of the boys." He was allowed to try his hand running for the municipal court bench but failed of election. Next he aspired to the senatorship but that had been promised away by the Brooklyn boss, Pat McCarren, and Hylan stood by his chief. It was presently discovered that Brooklyn was entitled to two more magistrates, whereupon Hylan mandamused Mayor McClellan to fill these posts and with the backing of McCarren secured one of them for himself. This brought him upon the city payroll where he remained for the next twenty years until his recent retirement on a $4,215 pension. Perhaps his success in obtaining the magistracy prompted his next move for he tells us that he now secured an act of the legislature increasing the number of county judges, and sure enough the governor selected him for one of the new places. A year later he was elected to the same post, and served in it until 1917.

NOMINATED FOR MAYOR

The forces and events which lead to Hylan's being selected as the Democratic standard bearer in 1917 are not easy to unravel. The following appear to be facts; perhaps there were others.

In the first place, the Democratic candidate would almost certainly have to come from Brooklyn. Chief among the causes of Mayor Mitchell's unpopularity had been his centralizing tendencies which offended the local pride of the boroughs, and of these Brooklyn was, and still is, the most provincial. Secondly, the candidate would have to be a Catholic, for the Catholics are the most numerous group in the city, especially in Manhattan, and Mayor Mitchell had offended them by certain

investigations of private charities which were receiving public monies. These two circumstances tended to limit greatly the field of choice.

Another fact takes us even deeper into the intricacies of New York politics. Tammany has always been a Manhattan organization (with the Bronx more recently added as a colony). Brooklyn Democrats have always striven to maintain a separate independent organization. Between the two there was rivalry for the hegemony of the city. "The Tiger" for so Tammany is fondly called, has more than once sought to reduce the sister borough to a satrapy. Brooklyn long threatened, and, since the period of which we are speaking, has now definitely come to surpass the other borough in total population, voting population, and school population. Anticipating this, Tammany had early adopted the policy of divide and rule. It had been successfully followed against McLoughlin and McCarren and the present Boss McCooey likewise needed watching. It was bad enough to have to take a mayor from Brooklyn; to take McCooey's candidate was to be avoided if possible. The next most powerful of the Brooklyn leaders was Sinnott, "Big Jim" Sinnott, former bartender and once prominent at the Sheepshead Bay race track and now boss of Bushwick. Sinnott was Hylan's boss. He had made Hylan, politically speaking. He now made him mayor.

TAMMANY ACCEPTS HYLAN

"Charlie" Murphy accepted Hylan from Sinnott. His only contact with Hylan prior to the latter's nomination had been a conversation with him on the train from Saratoga a few months before Hylan was nominated. Murphy questioned him closely and was apparently satisfied. Hylan says that after that conversation he told his wife and daughter he would be nominated mayor.

Judge Hylan did not simulate the coy reluctance with which candidates are accustomed to approach the hustings. Indeed the henchmen to whom reference has previously been made, were already grooming him for new laurels. As county judge much had been made of his probation and domestic relations work. These gentlemen revived that and created, or became, the Allied Boards of Trade and Tax Payers Association, which diligently extolled the Judge's virtues. He himself was carefully piloted around to all the civic organizations in town or to any place where he might get the platform. But their campaign was conducted with sufficient restraint to prevent its being overdone.

CAMPAIGN AGAINST MITCHEL

The campaign between John F. Hylan and John Purroy Mitchel was a curious one. Mitchel despite his undoubted political acumen had made all sorts of political blunders. He had been a good mayor, hard-working and efficient; but he had neglected the political necessities of the situation. Personally charming, he had failed to appeal to the imagination of the people. A business-like administrator, he had failed to take account of the popular aspects of his policies. It was a dirty campaign. The Mitchel people furnished the dirt in the drier form of dust. They were frequently disingenuous. The Hylanities provided it in the more fluent form of mud. They won by 168,000.

And so on January 1, 1918, John Francis Hylan found himself in City Hall, surrounded by flowers and new-made friends, mayor of the greatest city of the Western World, perhaps of the entire world.

New York is a big city. It covers 326 square miles; it includes 577 miles of waterfront. Its government is gigantic and woefully intricate. Its budget, then $211,000,000, has since more than doubled. It employs 100,000 people. It is spending $939 every minute, day and night. The direction of a government so enormous well might give pause to anyone.

Such were the responsibilities thrust upon John F. Hylan, a man of modest gifts, if no gift for modesty. He didn't even possess the saving grace of humor. He is by no means the first farm boy of modest endowments to have had greatness thrust upon him. One thinks of a very tempting comparison. But Hylan didn't even know the wisdom of silence. The great tribute paid to him at the polls in 1917, repeated again with decisive emphasis in 1921 when he received a plurality of 420,000, the largest ever recorded in the city's history, thrilled him. Again and again he referred to it in his speeches and his pastorals. (He was a prolific letter writer.) It has puzzled profounder heads than his. He appears to have developed in time a touch of megalomania and, perhaps at the base of this, there lurked a haunting, subconscious awareness of inferiority.

FRIENDS HANDICAP HIM

To Hylan's natural handicaps, we presently have added his friends. His position and power promptly attracted to him persons who otherwise would have found him of little interest. These included both politicians and men of wealth. Conspicuous among the latter was William Randolph Hearst. An inquiry into the character and motives of Mr. Hearst would carry us beyond the scope of our present story, but one thing is sometimes overlooked. Mr. Hearst is interested in selling newspapers. Secondly, Mr. Hearst is, or at least was, politically ambitious. Having come a little short of success on several occasions himself, he was pleased to find a high public official who would help him to realize perhaps a part of his ambitions, perhaps further his future prospects. Mr. Hearst's interest in Hylan developed first as a sort of corrollary of his attacks upon Mitchel. Mayor Hylan, finding so very much in the Hearst papers with which he could agree, became convinced, with a logic understandable enough, that Hearst was a genuine public benefactor. As time passed they became more and more intimate, and Mr. Hearst was appointed chairman of a committee to welcome home our boys from the war. Mrs. Hearst became chairman of the Mayor's Committee of Women. The Mayor lolled on the sands at Palm Beach with Mr. Hearst; opened Mr. Hearst's big motion picture theatre; praised Mr. Hearst's favorite actress; even journeyed to the Pacific coast to inspect Mr. Hearst's huge ranch. Yet this friendship with Hearst cost him many other friends and left him socially isolated; and this he felt keenly. A few rich men like Rodman Wanamaker, William E. Woodin, head of the American Car and Foundry Co., George Loft, the candy man, and Philip Berolzheimer, of the Eagle Pencil Co., cultivated him, but in general he was socially ostracised, and indeed ridiculed as few high public officials have been. His alliance with Hearst cost him also the support of practically every other newspaper in the city, though up to 1921 the circulation of the Hearst papers was probably equal to that of all the rest.

The Hylan-Hearst partnership had considerable advantage for the Mayor's Tammany backers, but it was, at the same time, fraught with serious menace

because of the political instability of the powerful, ambitious Californian. Hylan became the link between the Tammany organization and the newspaper owner. On several occasions he prevented open feud and on others even enlisted Hearst's support for the Tammany ticket. He arranged in 1920 to have Al Smith invited to dinner with Hearst, at the close of which the latter called up his editors and directed them to back Smith, the only newspaper support the latter had through the last few weeks of the campaign. But the Mayor's Tammany followers were always prone to look with more or less disfavor upon his association with their former enemy, whom they never trusted, and it became more and more evident that Hylan must some day choose between Tammany and Hearst. At the close of the 1923 election, Murphy publicly banished the Hearst papers from his home. His death a few months later put the leadership of the party in the hands of Hearst's bitter foe, Al Smith.

A HARD-WORKING BUT POOR EXECUTIVE

And now for getting down to business, as the Mayor speedily did. Few mayors have ever taken themselves or their work as seriously as did Hylan. He was at his desk at nine each morning and stayed until five or six and sometimes much later. He took work home with him and toiled on it late into the night; and he arose early before breakfast and read the newspapers. The department heads were sure to hear from him if their work was criticised in the press. He was hard-working and honest, but throughout his eight long years the problems of the city and his work seem constantly to have baffled and bewildered him.

Of little consequence himself as an administrator, he showed no aptitude for the selection of able subordinates. For a while he had a very competent secretary in Grover Whalen, keen and politically ambitious, but the Mayor failed to appreciate him and Wanamaker took him into his firm. Hylan found places for most of his friends and hangers-on. Not a few of Mr. Hearst's camp-followers were "taken care of." Hylan saw nothing improper in this. In his *Autobiography* he tells us of a teacher who had helped him when he was preparing to enter law school, whose eyes had now failed him so that he could no longer follow his profession, and adds proudly that a place had been found for him in the department of water supply, gas and electricity. Another old friend from his home town, he says, was placed in the department of parks. But this attitude made rather than lost him, votes. "The People" regard this approvingly as loyalty and kindness.

It would be a mistake to suppose, however, that he dominated his administration. Of a thousand positions exempt from the merit system in the municipal civil service, he had opportunity to fill but 250. The rest were occupied by loyal party workers whom he was content to continue. All but a few of those he appointed were named at the suggestion of his party organization. Murphy said of him, and justly, "No Tammany mayor has ever been more liberal to Tammany in the matter of patronage." The departments ran themselves, keeping to the course that had been their individual tradition. Hylan neither prodded them to progress or unprecedented efficiency nor yet cast over them a withering blight of graft, corruption and incompetence.

FREEDOM FROM OLD-FASHIONED GRAFT

It was this aspect of the Hylan régime that his opponents failed to appreciate. They saw no distinction between the question of incompetence

and the question of integrity. Most of the departments were run surprisingly well and with almost complete freedom from old-fashioned graft. But Hylan had almost nothing to do with this. The credit for it should probably be assigned to C. F. Murphy, the enlightened boss. The reformers could not understand how a thoroughly Tammany administration, with an incompetent like Hylan, could be free from all sorts of corruption. Again and again they invoked investigations to probe for it, but with pitifully meager results. The Almirall Grand Jury spent a whole year at it; the legislature was persuaded to send down the Meyer Committee; this was followed shortly by the Lockwood Committee, which engaged Samuel Untermeyer; but they all went home empty handed. They weakened Hylan not at all.

WELL ADVERTISED

His hold upon the people was, if any thing, increased. Amply supplied with men from Hearst's able staff, he was one of the best press-agented men in the city. They were marvelously clever in the way they sold him, just as one might a soap. His picture appeared almost daily, usually in some act of kindness or fondling his grandchild, something with human interest. On July 3, 1922, to cite one delicious example, there appeared in the *New York American*, a picture of a huge electric flag on City Hall, with an insert of the jovial-faced mayor. Below it one read: "This American Flag, the largest in the world, has been erected on City Hall by Mayor Hylan. The light from this flag will shine out on the spot where Nathan Hale was hanged by the British."

Frequently this publicity was in very poor taste. The programs of the concerts in the park bore the caption: "Mayor Hylan's People's Concerts." Others with a similar head had appended this note: "The great increase in the number of concerts throughout the parks of the city is indicative of the Mayor's desire to bring good music to the people." Any public structure that afforded the least excuse was decorated with his name, while to the very end of his administration certain streets set apart for children had stanchions with this motto:

MAYOR HYLAN'S
Committee on Recreation
PLAY STREET

If this impressed persons of finer sensibilities as vulgar, it made ten votes for every one it lost. Hylan became more and more the candidate of the common people. The upper classes held him in contempt as a mountebank, a "red-headed ignoramus." Their hostility to him seems to have been more aesthetic than rational. It became fashionable to ridicule him, and all sorts of droll anecdotes circulated respecting his intellectual and social maladroitness. Nor did Mrs. Hylan escape. Most of these stories were palpably false, yet they got back to Hylan and hurt him keenly. Perhaps some of his self-advertising and self-laudatory speeches gave the impression that he was a *brazen* demogogue. He was really sensitive. He became increasingly bitter against his assailants, especially the opposition press. The things which were sapping his personal vitality augmented his political strength. They swelled his plurality in 1921. He could as easily have been re-elected again, if Tammany had not repudiated him.

What would have happened had he been re-elected last November is difficult to imagine. His relentless task was beginning to tell on his nervous system. In 1924 he had a stroke which brought him almost to

the point of death, but he recovered much of his pristine vigor. After a time, however, his nerves began to be frayed and he looked haggard. The attacks of Comptroller Craig were a great annoyance. Craig was abler by far than the Mayor, but eccentric and irrascible. He plagued him incessantly even after his defeat.

TAMMANY DECIDES TO QUIT HIM

Tammany perceived the danger in the emotional strain to which Hylan was subjected. His bumptious self-confidence was giving way to petulant alternations of stubbornness and impetuosity. There were also political fears. He might become the tool of Hearst or of the elder Sinnott. On the other hand Tammany might steal his mantle for one of her own sons. The decision was reached certainly as early as the December previous to the primaries. Yet it was wise to move with great apparent hesitation and deliberation. This kept the Hylan backers guessing; it brought entreaties from the "reformers" whom it likewise left guessing.

The Mayor's real stumbling block was the transit question. For years it had been his chief stock in trade. In the end it encompassed his undoing. Transit in New York is physically, legally and politically a dreadful mess. It was almost the only topic on which he was on common ground with his opponents. Neither he nor they understood it. What he lacked in understanding he more than made up in firmness. Indeed he was motionless. His stand probably prevented the people of New York from being fleeced out of thousands of dollars, perhaps millions. If this seems harsh, let the reader examine some of the proposals that were made in the course of the last eight years.

New Yorkers, crowded and stuffed as they are twice daily in dirty subways, for some reason want more of them. It was plain that there was a deadlock that would not be solved as long as Hylan remained in the Mayor's office. But the people not only want subways; they want to ride in them for a five cent fare. Hylan had been the doughty champion of the five cent fare. He was as blissfully ignorant as his reform opponents of the economic and social questions involved in this shibboleth, but he stood stoutly by it. If its most ignorant, he was doubtless, its most sincere defender. It was also the vote-getting side. His opponents finally saw this point and one and all, some with mental reservations, rallied around this totem pole. They stole his issue.

The attack rolled and rumbled upon him from all sides. A small but well publicized group of Republican reformers called the *Citizens Union*, offering to speak for the independent voters of the city, gathered up all the ills of seven lean years under the term *Hylanism*. *Hylanism* seems to have meant murder, rape, burglary and arson, graft in public markets, prostitution of the civil service, bringing "the city to the verge of financial, political and moral bankruptcy." Indeed it presented "the only menace to the five cent fare." Whatever *Hylanism* was it seems clear that Hylan had nothing to do with it. Yet it was made to appear that the great desideratum was his elimination. Tammany was invoked, memorialized, beseeched. It needed no persuasion. Its mind had long since been made up and not by any encouragement or promise of aid from reformers. The exact reason we may never know.

REMARKABLE SHOWING AGAINST ODDS

The conduct of Hylan's political fortunes during last spring and summer

seems to have been incredibly inept. The decisions that had to be made were not easy. To have refused to enter the Democratic primaries would have cost many votes, the straight party votes, and would have been a confession of weakness, perhaps it would have looked like poor sportsmanship; but to enter them was fatal, for unquestionably Hylan's followers included many who were not registered to vote in the Democratic primaries. There could scarcely have been any doubt as to the outcome of the primaries. He was embarrassed further by demands that he promise to stand by the results but he resolutely left the way open for an independent candidacy. It was said in Tammany circles that if he got 35 per cent of the vote in the primary he would be a menace because he could then probably carry the general election. Actually he got 42 per cent of the primary vote, a thoroughly remarkable showing against overwhelming odds. But in respect to this also, his backers had been faced with a dilemma. They were seeking to make a good showing. To have admitted to their supporters that Hylan would not win, would have seriously handicapped him; but this operated to fixate public attention on winning, which was quite out of the question, and to divert it from the really astonishing vote which he did get. Their candidate too was caught in the same net. Hylan alone among his immediate supporters seems really to have thought that he was going to win. This *delusio candidationis* was probably essential to a spirited campaign, but the shock of defeat was sudden and complete. He was utterly deflated. At the very moment when he should have leapt up to lead his cohorts on to victory he was limp.

The rest is simple and belongs to another story. On January 1, 1926, John F. Hylan appeared at City Hall. Scarcely a ripple of applause greeted the man who had gotten the largest plurality ever recorded in the annals of New York. Few would dare now to shake his hand. He looked out upon faces beaming felicitations for his successor. Many of them he had seen there on two previous occasions. Fickle fortune!

GIANT POWER

THE GIANT POWER REPORT OF PENNSYLVANIA

BY JOHN H. GRAY

An illuminating review of the "giant power" report of the Pennsylvania survey board. Some important phases of the power problem are also discussed. :: :: :: :: :: :: :: ::

In 1923, the Legislature of Pennsylvania authorized the appointment of a Giant Power Survey Board. It was to make a complete survey of the water and fuel resources of the state, and to make recommendations "as to the most practicable means for their full utilization for power development and other related uses." This board reported in February 1925.[1]

[1] Report of the Giant Power Survey Board to the General Assembly of the Commonwealth

Among other things, the survey went thoroughly into the following: railroad electrification, mine mouth power plants, gasoline from coal, farm electric service, national defence, power for industry, city gas supply, coal pretreatment, public utility regulation, interstate treaties, 220,000 volt transmission, water power development, condensing practice, cost of electric current, anthracite culm, landscape beauty, water storage and electricity in the home.

Not being an engineer, the present reviewer does not feel competent to pass judgment in a technical way upon the vast mass of engineering detail. With the statement that the work seems to have been thoroughly done in a scientific and non-partisan way, he proposes to devote the present article to a review primarily of the recommendations in regard to the control of the industry. Doubtless, however sound the scheme may be, in main outline and principles, it will, if adopted require much modification as time goes on, and it is put into practical application. Such a possibility, and even probability, detracts in no wise from the value of the report or the soundness of its conclusions. No group of men can foretell, in detail, the needs of as complex a world as this report is dealing with. The report has every appearance of being carefully done.

It is the first systematic and disinterested attempt to deal, as a whole, with this vitally necessary and important question, and will doubtless remain for a long while to come the most important and authoritative source of information on the subject.

The report assumes that the economic welfare of any people, at any time, depends upon the extent to which it uses power other than animal power, and that electricity is likely to play a more important part in the future than steam power played in the nineteenth century. Under any wise and rational development, electric power will largely supplant the isolated local steam plant. It will be used in almost every home, factory, and workshop in city and country.

This electricity will be largely produced from coal in giant plants, at or near the coal mines, although hydroelectric power will be fully developed and used as a supplement to steam produced electricity.

The most marked characteristic of our modern economic life has been the passing of the electric industry into the hands of a few large holding companies, and the connection of the different plants by transmission lines. Virtually, in every case, this means increasing the capitalization resting on the industry. From 80 to 90 per cent of the industry is now in the hands of holding companies. More recently, these holding companies have been growing closer together. They are now moving rapidly towards community of interest and common ownership, and are connecting the lines of one group with those of another and exchanging surplus current among themselves. So far this has been a sort of dumping process, but the end is not yet.

This is superpower as talked by the present owners of the industry. Giant power has been well described by Governor Pinchot in his message transmitting this report to the legislature. "Giant power seeks the cheapest sources of power, and hence the cheapest rates. It proposes to create as it were, great pools of power into which power from all sources will be poured, and out of which power for all uses will be taken."

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of Pennsylvania. Morris L. Cooke, Director, February 1925. Pages 1–XII, 1–48, February 1925, Harrisburg, Pa.

THE COMING OF GIANT POWER

The question that the survey deals with, is whether we are to sit idly by until this approaching monopoly is an accomplished fact, and then leave it unregulated, with its antiquated and badly located plants, its over capitalization, inefficient services, high prices, and limited use and monopoly profits after contributing a return on the watered securities; or whether the industry is to be conducted on a systematic, scientific plan, safeguarding the consumer and the investor, and providing for the most modern and effective methods and the furnishing of electricity to all the people at cost, including of course the cost of capital, honestly and prudently invested.

It needs no argument to show that giant power is coming—rapidly coming. It goes without saying that effective regulation, under present methods of combination, financing and operation is out of the question.

Steam power cannot be used directly except in congested areas and tends therefore to unwholesome and dangerous congestion of population. Converted into electricity such power can be distributed at any time, in any place, in any quantity as needed. Furthermore, when not in use, it is not wasted. Electric power can be produced with little transportation of coal. When electricity first came into use, a lack of scientific knowledge made the use of the by-products from the distillation of coal of little value. But, the recent advances of science has made our civilization largely dependent on the use of such by-products. The threatened depletion of our coal supply, and the increased wages required to mine, transport, and handle coal and remove the waste have placed decided limits on the direct use of steam power.

Our railroad system is badly overloaded. More than one-fourth of all the tonnage on the railroads consists of coal, while the railroads themselves consume more than one-fourth of the coal mined. Why not turn this coal into electricity, at or near the mines, and thus conserve not only our coal but the railroad service as well, by relieving the railroads of the burden of hauling a large part of the coal? There is all the more justification for this since the coal traffic on the roads is relatively unprofitable. This waste constantly increases with the increase of wealth and population, with the consequent congestion of population. On the other hand, the cost of generating and distributing electricity is rapidly decreasing. The substitution of electricity for isolated steam power would tend to check the rate of increase of congestion of population, if it did not actually diffuse the population. It would tend largely to abolish dirt, smoke, noise, and slums, and make more decent living conditions. Such substitution would relieve the railroad in still another way by causing a much larger portion of all commodities to be consumed in the vicinity where they are produced. This would be a double gain by the saving of transportation of raw materials.

SUBSTITUTION OF ELECTRICAL POWER

It is not a question of abolishing steam power produced in isolated plants and going back to animal power, but of substituting a cheaper, cleaner, and more efficient power. Recent advance in generating and transmitting electricity have made it practicable scientifically and economically to transmit electricity, under high voltage, 300 miles. The advantage of electricity over direct steam increases with the increase in the cost of producing steam for direct use. On the other hand the growing importance of the by-products

of coal would probably turn the tide in favor of electricity. Are we to consume vast quantities of coal for the sake of the by-products alone or combine the making of by-products with the production of electricity? Steam directly applied uses a much smaller per cent of the total energy of coal than when turned into electricity, and wastes a large part of the by-products. The size of the economic steam plant reached its maximum some time ago. But the amount of by-products from a ngle ton of coal is so small, that by-products can be worked up economically only in connection with large plants. Perhaps no other industry lends itself more readily to large scale production, or offers more economy from mass production. This has been an important factor in leading to the present stage of combination in this field.

LARGE GENERATING UNITS

The Pennsylvania survey assumes such large scale production under any form of ownership. It is, therefore, concerned in bringing some sort of order into the industry and in assuring effective control, or regulation, in the public interest.

The main recommendations of the survey are that, with minor exceptions, all production, or generation of electricity shall be in large units of not less than 300,000 kilowatts—the lowest possible for full utilization of by-products, by water power or steam plants at or near the coal mines. The whole state is to be divided into districts to be served by high voltage transmission lines of at least 110,000 volts, all interconnected. Generating companies, transmission companies, and distributing companies, are to be separately incorporated, separately owned, and separately operated. The generating companies are to be integrated with their coal supply by being allowed to acquire by condemnation an amount of coal estimated as sufficient to supply them for fifty years on a royalty basis. The amount of the royalty is to be fixed by the public service commission. These companies are to be allowed to sell coal commercially for coking purposes, to manufacture and sell all by-products, and to pretreat coal to save all its valuable properties. They are to be simply generating, or producing companies, and are to sell all their current at wholesale only to major transmission lines, or companies. Major generating companies are to include all producing plants of more than 25,000 kilowatt capacity.

The distributing companies (explained later) may have minor transmission lines of not more than 25,000 kilowatts or 50,000 volts whichever is greater.

The major transmission companies are to be incorporated as common carriers for buying current from the generating plants and selling it at wholesale to the distributing companies. Their lines are all to be interconnected. They are to have the right and the duty of buying and selling current among themselves. All their prices are to be approved or fixed by the public service commission. Each company must have a permit (from the giant power board to be created) to establish a giant plant. The period of the permit must not exceed fifty years, and, the permit must reserve the right of the state to purchase the property on the basis of prudent investment, or, to license another company to operate it at the end of the fifty years.

It is proposed that all existing plants unless they are large enough to become giant producing plants, or deserve to be scrapped on grounds of inefficiency shall become merely distributing com-

panies. Meantime they are to have the right to construct and operate minor transmission lines.

DISTRIBUTING COMPANIES

The recommendations also include two new kinds of distributing companies. First, incorporated power districts with the right to supply themselves with power. For this purchase, they are to have the right to condemn property, levy taxes, and assess benefits and damages. Such companies can be established only by a majority vote of the legal voters of the proposed districts, and with the consent of a majority of the acreage involved.

The second class of new companies consists of mutual voluntary companies. The new companies of both kinds are to buy their current wholesale from the major transmission companies, and, are to be given free expert advice by the staff of the State College. All distributing companies, old or new, are to buy their current and at prices regulated, or fixed, by the public service commission, which has control over the prices of all current of all companies, wholesale or retail.

This commission, with greatly enlarged powers, is to have the right to order any distributing company to invade with its system the territory now reserved by charter or other law to any other company.

REGULATION AND SUPERVISION

A giant power board is to be created. Its chief functions are to district the state for major transmission purposes, determine the location of all such lines, approve the sites for all generating plants, and to negotiate interstate treaties, to be approved by Congress, for interstate dealings and control of all electric current passing a state line.

Apart from regulating the price of all current the public service commission is to have complete control and supervision over all contracts for construction, merger, lease, consolidation, operation, management and financing of electrical companies of all kinds. Particular mention is made of contracts involving brokerage or commissions. It has control, also, over the issuing of all securities. Stocks must have a uniform par value of $100 per share. The commission is to be prohibited from allowing any securities to be issued below par. No securities may be issued for property or services except for full value and with the approval of the commission.

All existing electric companies of every sort are to be valued as of January 1, 1926. Thereafter the basis for all rates for electric current wholesale or retail shall be the value so found plus the actual prudent investment after January 1, 1926, due consideration being given to depreciation and retirements of property. A unique and admirable provision is made for extra rates for a sufficient number of years to amortize any existing plants which, on account of their size, location or inefficiency are thrown out of use by the introduction of the giant power scheme.

The object of the plan is to supplant isolated steam power by giant electric power to bring electricity to all the people, at reasonable and greatly reduced rates, to safeguard the investor, stop speculative profits, and pass the economies on to the consumer.

If the rates as a whole give a fair return on the prudent investment as herein defined, no individual rate or system of rates is to be declared confiscatory. Court review is to be confined to the narrowest constitutional limits. The report takes firm ground for prudent investment as the basis of all rates, and offers some rather ingenious methods of enforcing this doctrine.

CONSTITUTIONAL AND LEGAL RIGHTS

The reader has doubtless already concluded that many of these recommendations run counter to the constitutional rights of existing companies. This is probably true, but the survey board has worked out a scheme for overcoming this obstacle, so that the difficulty of introducing the plan rests not on constitutional difficulties but on popular psychology and the influence of the vested interests on legislation.

Although the electrical industry is a relatively new one, there are many legal rights that cannot be taken directly from the companies without their consent or full compensation. The survey board proposes to clear the field of such rights without constitutional change, litigation or confiscation. The proposals of the board rest on the simple and indisputable fact that in a dynamic society, and in an industry changing as rapidly as this one, no company can live or prosper without coming frequently to the state for additional rights, the granting of which is clearly at the discretion of the state. Existing rights, however important and unquestioned, are not worth the paper they are written on under the circumstances, if all additional rights needed are denied. How much is a perpetual right to operate horse cars, or cable cars in New York worth today, or the perpetual right to make coal gas by methods in vogue when such rights were granted? The board, therefore, recommends that the state in future refuse to consider any application from any electric company for any additional rights unless the application for the same specifically contains an acceptance of the giant power scheme and a waiver of any existing rights inconsistent with the same. This follows the Wisconsin methods by which all the companies irrespective of their previous rights were brought voluntarily under indeterminate franchises. The board was also doubtless familiar with the method by which the Port Authority of Toronto acquired title to the railroad water terminals in Toronto without compensation.

It is more than likely that questions would arise under this provision, such as the right of a municipality exercising police powers in a narrower sense to refuse locations for poles or wires. But when full allowance has been made for all doubtful points, there certainly remains enough need for new rights and enough clearly discretionary powers on the part of the state to bring about, in this manner, the voluntary surrender on the part of the companies of all rights inconsistent with the proposed legislation.

INTERSTATE DIFFICULTIES

In regard to interstate dealings in electricity the recommendations of the board are of more doubtful value. The giant power board hereafter to be created is authorized to negotiate treaties, or compacts, with neighboring states for complete regulation of interstate dealings in electricity. Such arrangements of course would require specific approval by Congress in each case.

Meantime to encourage other states to join in such compacts, Pennsylvania is to prohibit any increase of the export of electricity at wholesale or retail. The prohibition applies to new companies, new customers, new localities, new contracts and to renewal of old contracts. There is to be specific prohibition of the export by major transmission lines without the consent of the giant power board, and to the transforming of minor transmission lines into major transmission lines. All sales for export under new con-

tracts are to be as thoroughly controlled as are domestic sales. In other words it is the clear intent so to restrain existing companies as to make the companies voluntarily come under the new law and regulation subject always to the proposed interstate compacts.

This scheme would effectively abolish all retail interstate traffic and bring the wholesale traffic as completely under control as the purely domestic companies. Such prohibition is likely to meet constitutional obstacles.

The whole subject of the regulation of interstate dealings in electricity is fraught with endless difficulty under our dual form of government. So far, the matter has not been directly ruled upon by the courts. But the United States Supreme Court, in cases dealing with natural gas, has apparently by analogy brought electricity under the commerce clause of the constitution. If this be true, the power of Congress over this matter is plenary. Congress is loath to surrender any of its powers, or even to delegate to state authorities the administration of such powers on behalf of Congress. Apart from any constitutional questions, it seems administratively inadvisable for the federal government to undertake the direct regulation of this industry. While the interstate phase of this industry cannot much longer be ignored and is sure to grow in importance, the industry still remains preeminently one chiefly of local importance. One speaks with hesitation in regard to so difficult and complex a subject where the needs so clearly run counter to the constitution. There was a proposed bill presented and discussed at the 1925 meeting of the National Association of Railroad and Utility Commissioners to be introduced into Congress. The object is to place the motor interstate traffic, already decided to come under the commerce clause of the constitution, in the complete control of the state commissions. The report accompanying the bill is very enlightening.

The proposition is a simple one: namely, for Congress by a simple act to declare that for the purposes of this act each state commission as from time to time constituted shall become a federal agency or commission for carrying out the purposes of this act, to give to the interstate commission the powers in any state whose commission refuses to act as such federal agency, and to provide for the union of any two commissions temporarily when necessary, the two acting as a single commission. An appeal is reserved to the interstate commerce commission in case of disagreement or failure of such commissions to deal with the matter satisfactorily.

Some such a scheme as this seems much more likely to be adopted than the one recommended in this Pennsylvania report. The constitutional provision on interstate compacts has virtually lain dormant for one hundred and thirty-six years, and is wholly unfamiliar to the public mind. The experience of the states in trying to settle the Colorado River problem does not hold out much promise of dealing with complex industrial problems by state treaties. The necessary agreements seem unlikely to be achieved. Furthermore, if the states should once agree, changes in the industry would soon require modifications and the bringing of new states into specific agreements. The results would certainly lack uniformity.

But the trouble would scarcely have begun when the states agreed, if they ever should agree. There would be literally a bombardment of Congress to approve these numerous and amended treaties. In an overloaded Congress,

it is not likely that such treaties would ever be adequately considered or in most cases ever approved. If this federal power is ever to be locally administered, it must be done in some simpler way. The electrical industry is a national industry. Economically, it knows no state lines. It ought to be dealt with by uniform laws and not by a multitude of divergent treaties. The difficulty of undoing or amending such a series of treaties would be insuperable, and any change might bring undesired lack of uniformity.

On the other hand, a single uniform act making the state commissions federal agencies for this purpose would in its passage fail to create a flood of local jealousies. Amendment or repeal would be simple. Such an act would not involve any ultimate delegation or surrender of federal power. It would have all the advantage of appealing to local sentiment; it would cover the whole field and bring about the necessary uniformity.

While I am not at all sanguine of the adoption by Congress of this suggestion, it seems to me much more likely to meet congressional approval than that of the Pennsylvania report. If adopted, it would work much more satisfactorily than any other method that has been suggested for dealing with this perplexing problem. It might, also, prove of great value in pointing the way for the decentralization of many other administrative powers belonging to the federal government, particularly those now in the hands of the interstate commerce commission. If that commission is to survive and accomplish the work already assigned to it satisfactorily, the administration of these powers must be highly decentralized.

The giant power board is to be congratulated for turning out so valuable a report with its limited time and money. It is, however, to be regretted that it did not have time and money to go more thoroughly into the limitations of the use of electricity due to the discriminating rates in favor of the large consumer. It touched upon this matter in dealing with the rates to farmers, but there is no adequate treatment of the subject in the report. The evil is not confined to farmers. Space does not permit the discussion of the subject here. But when the matter is thoroughly investigated it may turn out that we have found the greatest single argument for public ownership.

RECENT BOOKS REVIEWED

THE STATISTICAL WORK OF THE NATIONAL GOVERNMENT. By Laurence F. Schmeckebeier. Baltimore: The Johns Hopkins Press. 1925. Pp. 590.

This volume is one of the Studies in Administration published by the Institute of Government Research at Washington, D. C. It may be compared with the *Report on the Statistical Work of the United States Government* submitted to congress by the United States bureau of efficiency in 1922. The earlier report described the statistical activities of the various government bureaus and offices by organization units, calling attention to duplications, overlapping and lack of coördination in various phases of such work, and recommending that the collection, tabulation and dissemination of all non-administrative statistics should be centralized, so far as practical, within the bureau of the census of the department of commerce.

Mr. Schmeckebeier's book is also a descriptive account of statistical work, analyzed however, not primarily by organization units, but by the subject matter of the statistics. It is arranged in 36 chapters, giving a more detailed account than the bureau of efficiency report of the various classes of statistical publications, with discussions of the sources and significance of the data, and some observations on the limitations of the material published, but without any extensive critical comment, which it is hoped may be presented at a later time.

While there is no extended discussion of the problem of the organization of government statistical work, Mr. Schmeckebeier, in his introduction, refers to the "almost unanimous opinion of men experienced in governmental statistical work that a great consolidated statistical office will result in neither economy nor greater accuracy." This opinion is in direct conflict with the recommendations of the bureau of efficiency. Mr. Schmeckebeier, however, believes there is undoubtedly need for an agency that would coördinate the work of the several organizations in the statistical field.

The descriptive analysis emphasizes the enormous volume of statistical material published by the government. The great bulk of this is economic and social in character. Several chapters deal with statistics of governmental operations,—including national finances, state and local finances, general statistics of cities, education, water and electric power, and short sections on government employees and election returns. Mr. Schmeckebeier does not, however, give a full account of the administrative statistics of the government agencies, in such fields as the army and navy, criminal and judicial statistics, patents, pensions and the postal service. Nor does he consider the need for more systematic and comprehensive statistical data on political and governmental activities.

JOHN A. FAIRLIE.

University of Illinois.

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THE PROBLEM OF GOVERNMENT. By Chester Collins Maxey. New York: Alfred A. Knopf. 1925. Pp. 514.

Here is a simple and interesting exposition of the fundamentals of government. Written as a textbook to be used in the elementary college course in political science it has from this viewpoint two outstanding characteristics: the wide range of subjects covered and the studied attempt to avoid the intricate, both in thought and expression.

In choosing to spread out over the whole field of government, Professor Maxey has aligned himself with that class of teachers who believe that the study of American Government alone is not sufficient for the beginning course. He feels that what is needed is perspective; and that having seen the forest from an airplane the student can then proceed to a more special study of the individual trees. This opinion receives some support from the fact that the elementary course constitutes the beginning and end of Political Science for most students. The opponents of this view feel that it is better to teach well some definite and practical part of the subject, such as American Government, than to impart a little information upon a great many themes. They do not believe that it is the purpose of college work to convey a wide fund of information so much as to train the student to secure knowledge for himself, and this latter task may be better done by the use of more intensive methods.

The extent of the material included in *The Problem of Government* may be indicated by the

main headings of the book, which are: (I) General Principles of Government, (II) The Organization and Operation of Government, (III) The National Government of the United States, (IV) State Government in the United States, (V) Local Government in the United States, (VI) The Citizen's Job, and (VII) Contemporary Problems. This is a plainer and more practical treatment than the older type of volume upon the elements or principles of Political Science. However, the book devotes a great deal of space to generalizing upon the nature of government and cannot avoid the hazard of slighting some vital and important phases of more immediate interest. Thus in the chapter on Foreign Relations the author attempts in seven pages to cover the subject of American foreign policies and the problem of international peace. Naturally the attempt fails conspicuously.

With regard to clarity and simplicity Professor Maxey states in the preface that most textbooks are written more for professors than for students. "There is no sound reason," he says, "why a student, in order to obtain a few fundamental ideas, should be obliged to wade through a morass of professional verbiage which can have meaning only for the specialist, if it has any meaning at all." Laying aside the question as to whether this deprecatory estimate of the efforts of rival textbook writers is correct, there can be no doubt but that Dr. Maxey has avoided criticism from this standpoint. In some chapters he has probably succeeded too well, for an intricate idea is difficult to express in words of one syllable without sacrificing something of the thought. On the whole, however, the balance between substantial content and easily understandable terms is well maintained. The book will serve admirably for the instruction of citizens in the nature of government and as a textbook for those teachers who prefer the wider type of elementary course.

Benjamin H. Williams.
University of Pittsburgh.

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The Government of Oklahoma. By Frederick F. Blachly and Miriam E. Oatman. Oklahoma City: Harlow Publishing Co., 1924. Pp. 668.

This readable and enlightening discussion of the practical operation of a typical western commonwealth's government is really the handiwork of a number of persons who have had opportunity to collect their information at first hand, though but two names appear on the title page. Dr. Blachly, who was formerly professor of government at the University of Oklahoma and secretary of the Oklahoma Municipal League, and Miss Oatman, assistant secretary of the league, are mainly responsible for the preparation of the volume, but a member of the Tulsa bar formerly connected with the University of Oklahoma has written five of the twenty-three chapters and collaborated in a sixth, while still other persons are also contributors.

The volume is far more than a collection of readings, however. It has been so carefully edited that unity of thought is preserved throughout. For the most part it is descriptive. There are chapters on the constitution of Oklahoma, the chief executive, state administration, the judiciary, the election system, the taxation and revenue system, local government, and the other fundamentals which go to make up the government of a state. Newer phases of governmental activity, such as the regulation of business and labor and the care of special classes, are treated in considerable detail. Three chapters are devoted to municipal organization and city-state relations.

Though the work is necessarily in large part descriptive, the authors have not hesitated to criticise freely. As they state in their preface, they "have attempted to face disagreeable realities as to their state government rather than to avoid them. They have taken the attitude that the government is not a sacred institution but a machine for performing necessary social work; if it is not functioning properly it should be examined quite as thoroughly as any other machine failing to work effectively."

The government of Oklahoma is a fertile field for constructive criticism. Here are found all the old flaws of state government so familiar to every student—checks and balances, an executive authority divided among thirteen elected officials, a judicial system without a responsible administrative head, and a system of taxation lacking most of the elements which insure justice and efficiency—plus a number of more recent vices, such as the practice of overloading the constitution which matters suitable for ordinary legislation.

The recommendations are conservative and well considered. They include "a greater trust

in representative government rather than . . . 'direct democracy'; a greater control of governmental planning by the executive . . . ; the administrative functions of the state placed in a few departments under the control of the governor . . . ; establishing a unified court system"; the manager plan for counties; and administrative control of the cities through a local government department of the state government. This volume is primarily of interest to citizens of Oklahoma, but it cannot be ignored by students of government anywhere.

AUSTIN F. MACDONALD.

University of Pennsylvania.

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MUNICIPAL YEAR BOOK OF THE UNITED KINGDOM. Published by the Municipal Journal, Limited, Sardinia House, London.

For those interested in keeping currently in touch with the developments in local government in the British Isles, there is no source of information to be compared with the Municipal Year Book, published annually since 1897. It records and analyzes the legislation and investigations of the central authorities affecting the various units of local government, it gives a bird's-eye view of the functions and powers of the ministry of health, which is so largely responsible for the supervision of local authorities; it recites not only the general legislation under which the local units operate, but also the special rights and privileges granted to the individual corporations.

Something over four hundred pages of the 1924 issue are devoted to a compact summary statement of the characteristics and official personnel of the various municipalities and counties. This statement is much more comprehensive for England and Wales than for Scotland and Ireland. The population, area, tax rates, assessed valuations, names of officials and noteworthy facts are cited in each case. Particular attention is given to the methods of handling the customary public utilities and also any advantages offered along health or recreational lines.

Eleven sections, comprising about two hundred pages of this issue, are devoted to a review of the legislation controlling the public utilities and to a tabular statement concerning the status of these utilities in the various municipal corporations. The following utilities are covered: Roads and Transport, Water Supply, Gas Supply, Tramways, Electricity, Markets and Slaughter Houses, Baths and Wash Houses, Public Libraries, Housing, Refuse Disposals and Street Cleaning, Small Holdings and Allotments. The student of public ownership and control will find a wealth of factual information in the tables.

The sections dealing with housing, town planning and small holdings and allotments are of special interest because these represent the newer fields of governmental activity and the ones still more or less in the experimental period. In the chapter on town planning the matter of regional planning is given a prominent place. According to this report the number of regional planning committees increased in the space of one or two years from two to twenty-two.

On account of the uniqueness of Small Holdings and Allotments Acts, it may be pointed out that local authorities are required to provide through public action land for allotment gardens in case there is demand for it and private agencies cannot or do not supply the demand. The size of these allotments usually does not exceed one acre. It is expected that they will be managed on a self-supporting basis. The latest returns show that over half of a million allotment holders are tenants of the public authorities.

The last section in the Year Book lists the names, the officers and addresses of the municipal societies. The list is a very broad one including the Labor Party, National Health Society, London Safety-First Council, Commons and Foot-Path Preservation Society, Conference of Health and Pleasure Resorts, the Metropolitan Drinking Fountain and the Cattle Trough Association. But even with the deletion of such societies that would not seem to qualify under a strict definition of the term "municipal societies," the reader will be surprised at the extent of organization among public employees. All types are represented in the list from technical workers, such as engineers, accountants and health inspectors to clerks, administrative workers and cemetery superintendents.

For the student of local government in Great Britain the Municipal Year Book will present a mine of concrete information that will lend color and form to the more or less general information given in the standard works on this subject.

W. E. MOSHER.

ROAD POLICY OF PENNSYLVANIA. By Wilbur C. Plummer. Philadelphia: Privately printed. 1925. Pp. 121.

In this brief thesis of six chapters the author presents a historical treatment of roads and road administration in Pennsylvania, from the earliest settlements to the present time. Four chapters are devoted to tracing the change and development in road policy during various periods, and an attempt to interpret the causes, and influences which have wrought these changes. The periods considered include: before the coming of William Penn (1682), characterized as the "beginning of roads in Pennsylvania"; from the coming of Penn to 1785—a period of entire local responsibility for the making and maintenance of roads; from 1785 to 1845—a period of great activity on the part of the state government in road affairs. Among the reasons for this activity was the need for providing means of communication between the rapidly growing developments in the western part of Pennsylvania and those already established in the eastern sections.

An interesting episode attributed in part to the great difficulty in transportation existing at that time, was the so-called "Whiskey Rebellion," which occurred in the four western counties of Pennsylvania. The period from 1845 to 1903 is referred to as one of "disuse and neglect of roads." These conditions, obviously, were brought about by the tremendous impetus given to the development of railroad transportation throughout Pennsylvania and the country during that period. A chapter is devoted to presenting the impressions of travelers from Europe and other states on the conditions of Pennsylvania roads of a century ago. In the final chapter the author discusses the present road policy of Pennsylvania with particular reference to the influence that motor traffic and its need have had in the formulation of that policy.

W. A. BASSETT.

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ECONOMICS OF THE RADIO INDUSTRY. By Hiram L. Jome. New York: A. W. Shaw Company. Pp. 332.

Professor Jome, in attempting to cover the history and economics of the radio industry in one volume, has attempted the impossible. As a result, much detail is lacking, but practically all phases of the subject have been touched upon.

Part I is devoted to the history of commercial radio communication. Beginning with Marconi and his experimental signaling across a distance of a few yards, the growth of radio through the war period is outlined up to the present state of truly world-wide wireless.

The merchandising problems arising from the sale of broadcast receivers and the traffic problems incident to the transfer of radio messages to land wire lines are discussed in Part II.

Part III outlines various problems of radio broadcasting. How shall it be supported? What is the relation between broadcasting and the copyright and patent laws? What public policy shall be pursued regarding the regulation of radio broadcasting?

Part IV is a look into the future of radio. As a means of communicating messages from one point to another, will radio supplant wires and cables or will it finally assume a position of less relative importance? In broadcasting shall we continue to absorb increasing numbers of sets to listen to more and finer programs, or will a saturation point in the sale of sets induce apathy in the production of acceptable programs?

In brief, our radio message circuits, great and small, owe their rise to the fact that radio spans rivers, lakes and oceans, plains, mountains, deserts, and jungles without ties which may be severed by storms or hostile peoples. This element gives to radio a right of survival so great as to entitle it to governmental support even should commercial support prove inadequate. The question of permanently adequate support hinges on the ability of inventors to reduce the present high initial and high operating costs by such developments as directive short wave radiation.

Ship radio is unique. It alone offers communication between vessels apparently alone on the ocean or between vessels at sea and shore stations. In transmitting messages, the ship station has no competitor, while its importance to the safety of human lives insures it a permanent place of growing importance.

Professor Jome considers, and we believe rightly, that broadcasting is the most important phase of radio development from an economic viewpoint. It occupies a correspondingly large space in his book, and the public will do well to weigh carefully the points raised whether or not they agree with his conclusions.

D. C. PRINCE.

GOVERNMENTAL RESEARCH CONFERENCE NOTES

EDITED BY ARCH MANDEL

Rochester Bureau of Municipal Research.—Clarence E. Higgins, staff accountant of the Bureau, assumed office as deputy comptroller of the city of Rochester on January 24. Judging from newspaper comments, the appointment is a popular one. Higgins is the second staff member of the Rochester Bureau to be appointed to a city position within the last two years. Harold W. Baker, present commissioner of public works in Rochester, was staff engineer.

St. Louis Bureau of Municipal Research.—During the past two years, the Bureau published 52 issues of its bulletin, "Mind Your Business." Nearly all of them have been very brief statements of results of Bureau studies, the text occupying about 10 inches of a column 2 7/8 inches wide, set in large type.

The response of the daily press to these bulletins has been gratifying. During 1924 and 1925, the newspaper publicity given the 52 bulletins occupied 1,605 inches of single news column, 175 inches of editorial column in 23 editorials, and one cartoon. Ten double column headlines were included in the news space.

This Bureau published 9 bulletins on general subjects that did not contain specific facts on the operation of the city government. Four of them received no newspaper publicity, and the average for the other five was only 15.7 inches of single column news and no editorials.

The remaining 43 bulletins each contained specific facts concerning municipal operations. The average newspaper space per bulletin was 35.5 inches of single column news and 4 inches of editorial column.

Toronto Bureau of Municipal Research.—The Bureau, in collaboration with the local Board of Trade and Service Clubs, conducted an intensive campaign to increase the percentage of voting efficiency on January 1, 1926. The slogan adopted, "Vote as you like, But Vote," became quoted all over the city and was adopted by the city fathers on the voting cards.

It is interesting to note that the vote polled on January 1 was the highest in numbers in the history of the city. The percentage of possible votes was not the highest, however, but represents a considerable increase over last year.

A bulletin has been issued, giving the personnel of the civic government for the year 1926.

The Citizens' Research Institute of Canada.—The Institute has issued a report, showing how the tax burden compares in England, United States, Australia and Canada; that is, the relation of total taxation to the nation's net production or annual income.

Story number 2, "Provincial Government," of the Annual Cost of Government in Canada series is in course of preparation and will be issued in the near future.

Resolutions passed by the Tax Convention of the Institute, dealing with a more equitable distribution of the income tax and a lowering of its scale; also, a resolution urging the government to amend the Income War Tax Act (1917) to allow for a system of averaging incomes of corporations, firms and persons engaged in business over a period of years, have been submitted to the Canadian Dominion Government for their earnest consideration.

Bureau of Research of the Newark Chamber of Commerce.—A Special Committee on Election Laws has completed its study and drafted a report, recommending permanent registration. This report has been acted upon favorably, and a bill to provide for permanent registration is now being prepared. Present plans provide its early submission to session of the legislature.

A report on traffic, transit and transportation, prepared by a special committee, has finally been favorably acted upon. This report outlines the Newark problem and recommends the appointment of a transit commission, which, in turn, will provide for competent engineering staff to develop plans and supervise their carrying out. The com-

mittee's next step will be a conference with the mayor, in support of its recommendations.

Milwaukee Citizens' Bureau.—The entire staff of the Citizens' Bureau is working on city manager charters. The charter for West Allis, a suburb of Milwaukee, is completed, and petitions have been circulated and filed. The charter will be voted on April 6. It provides for a manager, and a council of five, elected at large by proportional representation. This is the first attempt to use proportional representation in Wisconsin.

The Milwaukee campaign is not so far advanced. A series of articles are being prepared, calling attention to the weakness of the present system. After releasing these articles, considerable publicity material, based on trips to Dayton, Cleveland, Rochester, Cincinnati, Norfolk, Nashville, Kansas City, and a few other cities, will be presented. By late spring, it hopes to organize a definite charter campaign.

Wisconsin cities are now operating under a constitutional home rule grant. Recently, the supreme court declared that education was still a state function and that even the question of financing schools was outside the home rule grant of power. This was quite a blow to "home rulers." They are now thoroughly convinced that the amendment should have listed certain functions as being strictly local, followed with a saving clause for all doubtful cases.

Taxpayers' League of St. Louis County, Duluth.—Duluth is contemplating the establishment of a small claims court as a branch of its municipal court. The executive secretary of the Taxpayers' League has been appointed by the city council as a member of a committee to investigate the feasibility and practicability of such a court. The Taxpayers' League prepared a report covering the operation and effect of these courts in several cities.

A petition has been filed with the charter commission of the city of Duluth, requesting that a special election be called to vote on the aldermanic form of government. The petition provides for the mayor-council type of government, with a council composed of fifteen members. Various civic organizations have been advocating the city manager plan of government, and it is anticipated that the charter commission will be requested to submit a manager charter at the same time that the vote is taken on the mayor-council charter.

Philadelphia Bureau of Municipal Research.—The Philadelphia Bureau announces that Miss Emma O. Lundberg, formerly of the children's bureau of the federal government, and now of the Child Welfare League of America, has been engaged to assist in the survey of the municipal court of Philadelphia, which the Bureau is making, as the agent of the Harrison Foundation. She will appraise the court's probation work with unmarried mothers.

The Philadelphia Bureau has just published a report which presents a history of the Philadelphia gas works, including financial and other results of operation, a discussion of modern standards of gas service, and an analysis of the situation now confronting the city. An outline of the principal events in the history of the gas works since they were put in operation in 1836 is given in the first chapter of the report. Chapter two contains a discussion of the results in management, service, price of gas, and growth of plant obtained by the three forms of administration which have been employed. Financial results under the several kinds of management are given in chapter three. It is shown that, despite gross mismanagement, the city profited under management by a board of trustees, and a myth which whispers of millions lost under municipal operation is thereby set at rest. The influence of politics upon operation of the gas works during these periods is indicated. In the discussion of operation under the present lease to a private company, the report describes methods of financing and shows that the company and the city have both fared well. Chapter four discusses the effect of changes in the use of gas upon standards of quality and service, points out the requirements of good service, and indicates the standards which meet these requirements best at the present time.

The report then takes up the present situation. As the present lease expires December 31, 1927, and the gas works will undoubtedly be operated thereafter under a new lease, the discussion is narrowed to suggestions for improvements in the leasing conditions, and these are illustrated by reference to the present lease and to a new lease proposed by the present lessee, the United Gas Improvement Company of Philadelphia. Among the suggestions are included city, instead of company financing; a rental to the city, based on the value of the plant; a compensation for the lessee, which will be as definitely fixed as is consistent with providing an incentive to efficient operation; a price for gas based on the cost of service; pay-

ment by the city for all gas used by it; and a lease terminable at any time upon reasonable notice.

The study was made principally by Charles A. Howland, staff engineer, but Robert J. Patterson, chief accountant, materially supplemented the work on financial phases.

Copies of the report are available for free distribution upon application to the Bureau of Municipal Research, 311 S. Juniper St., Philadelphia, Pa.

San Francisco Bureau of Governmental Research.—A study is being made to determine the amount necessary to be voted in a bond issue for a public improvement revolving fund, that shall be used for financing improvements made by levying special assessments on benefited property, particularly new street construction by public contract.

A comparative study, made by the Bureau in 1922, of new street construction by special assessment levy on property and construction under the city pay method determined that the city was able to have work performed for approximately 25 per cent less than work done at the expense of property owners by special assessment. The additional cost was found to be due to the fact that the contractor must finance himself for the entire job and also must accept the bond of the property owner who elects to pay over a period of not to exceed ten years. As a result of this study, the Bureau advocated a charter amendment which would permit the city pay method of public improvement financing. This measure was placed on the ballot in November, 1924, and carried.

Director W. H. Nanry is giving a series of ten lectures on city government to the San Francisco Center of the California League of Women Voters. In the series he will discuss the four stages of development of government of cities in the United States, the San Francisco form of government, its defects by reason of decentralized responsibility and control, budget and administrative functions in the hands of the legislative body, election system, and corrective steps which should be taken, including a summary of the advantages of the city manager plan.

National Institute of Public Administration, New York.—Philip Cornick has undertaken a study on the financing of a rapid transit program for the North New Jersey Transit Commission.

The 1926 report of the New York State Joint Legislative Committee on Taxation and Retrenchment will shortly appear. Luther Gulick is executive secretary of the committee and A. E. Buck, chief of research staff. The report will be published in three sections: Part one, "State Expenditures, Tax Burden, and Wealth," is a study of the growth of the functions and expenditures of the state government and the relation of total tax burden to the income of the people of the state. The other two sections of the report deal with the debt of the state and with the gasoline tax.

Minneapolis Bureau of Municipal Research.—Upon request by the water works committee of the council, the Bureau is analyzing the expenditures of the water works, preliminary to preparing a budget for the department. This is of particular interest in Minneapolis, because the department of water has been exempted by ruling of the city attorney from preparing its budget according to any particularly desired form. A change in the city council, however, is responsible for causing the water department to conform with the other departments in the preparation of the budget.

The Bureau has proposed to the city comptroller a classification that will be based upon units of service rendered by the departments, and which, it is hoped, will ultimately articulate with the regular accounting procedure, thus serving two purposes.

NOTES AND EVENTS

EDITED BY H. W. DODDS

Correction.—On Page 69 of the January REVIEW it was erroneously stated that the issue of *Municipal Reference Library Notes* for September 16, 1920, contained a bibliography on special assessments for financing subways. The reference should have been September 16, 1925.

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New Haven to Plan Twenty-Year Improvement Program.—The New Haven board of aldermen have authorized Mayor John B. Tower to appoint a non-partisan committee to draw up a program for financing permanent improvements needed by the city for the next twenty years.

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Mayor Walter A. Sims of Atlanta urges that the city of Atlanta and Fulton county be consolidated so that one set of officials may handle the government instead of two as at present. He states that by 1930 the boundaries of the city will be coterminous with those of the county.

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James J. Walker in his inaugural address as mayor of New York city promised a survey by competent men and women for the purpose of developing a plan to simplify the governmental machinery of the city and to eliminate duplication of effort.

✻

Parking Maps.—The Boston Chamber of Commerce and the Milwaukee City Club have recently issued parking regulation maps for their respective cities, showing the streets and hours in which the parking of automobiles is restricted.

✻

License Fees for Parking Automobiles.—With a view to reducing parking congestion and bringing new revenues into the city treasury, several cities are discussing a proposal to levy license taxes upon the privilege of parking automobiles in the streets.

The Boston City Council is considering charging each motorist $5.00 for a license and a tag entitling him to park on the streets. One million dollars additional annual revenue would be gained thereby.

Promotions in the City Manager Profession.—John G. Stutz, secretary of the City Managers' Association, reports that there have been 108 promotions in the city managership profession. Of these eighteen occurred during the past year. Twenty six per cent of the appointments made in the past twelve months were in the form of promotions of managers from smaller to larger cities at increases in salary. The tendency on the part of city councils to demand experienced city managers is one of the most promising features of the development taking place in the profession.

✻

Who Has the Right of Way?—Does the "Go" signal give an automobile driver the right of way against a pedestrian? This question is asked in an interesting note in the *University of Pennsylvania Law Review* for February and is answered in the negative. The driver may be liable for negligence although the traffic signal is in his favor. (Gilles *vs.* Leas, 282 Pa. 318). On the other hand, when the signal is with the pedestrian, he does not possess an absolute right of way. (Panitz *vs.* Webb, 130 Atl. 913, Md., 1925). In view of the fact that these cases are in harmony with earlier ones decided, it may be accepted as the law that neither the driver nor the pedestrian has a prior right of way at the crossing. Each has a duty to exercise care. The "Go" signal merely means that the driver may proceed as he would have proceeded had there been no signal at all. And the pedestrian has the duty to look out for vehicles which entered the intersecting way before the signal was set against them.

✻

State Finances in 1924.—The United States Bureau of the Census has released a summary of the financial statistics of state governments for 1924. The total assessed valuation of property in all the states subject to general property taxes amounted to $131,333,557,000, or a per capita of $1,180. The total revenue receipts of all the states were $1,370,066,000, or a per capita of $12.31; while the total cost of government amounted to $1,513,628,000. The gross debt

of the states outstanding at the close of 1924 amounted to $1,738,605,000, or $15.62 per capita. Comparing these figures with those of 1915, the census bureau finds that revenue receipts have almost trebled in nine years, for in that year they amounted to only $458,233,000 or $4.66 per capita. The net debt of the states amounted to $1,183,467,000 in 1924 or $10.63 per capita; in 1915 it was only $424,155,000 or $4.31 per capita.

Kansas City Sentences Reckless Drivers to Stone Pile.—Kansas City is taking drastic measures to punish and prevent reckless automobile driving. At this writing there are nine white and five colored men working on the municipal rock pile, making little ones out of big ones, as punishment for careless driving or operating a car when intoxicated. The sentences have ranged from fifty dollars and twenty days to two hundred dollars and six months. Several other offenders have been parolled to the welfare board because their families need their support. It is said that public sentiment would not have tolerated such severe penalties three months ago but they seem to have a sobering effect and are now approved in the interests of children.

NAT SPENCER.

Are Government Employees Lazy and Worthless?—Martin L. Davey, congressman from Ohio, wants the National Municipal League to get behind his bill empowering the president to fire employees and abolish bureaus at will, in the interest of economy and efficiency. He writes, "For seven years, I have observed the departments and bureaus of the government at Washington at close range, having had official business with nearly all of them. I am simply appalled at the loafing, indifference and inefficiency. There are thousands upon thousands of unnecessary employees and endless duplication of alleged effort. There is an inexcusable waste of much more than a half billion dollars a year."

How does Mr. Davey know all this? A few careful statistics plus some recommendations are needful if Mr. Davey wishes to get us all roused up.

Protect Industrial Districts.—Edward M. Bassett, the noted authority on the law of city planning and zoning, has called attention to the need for protecting industrial districts in the zone plan. Usually the cry is for protection against encroachment by industrial districts and we have perhaps forgotten that they themselves may be entitled to pretection as well.

While areas suitable for homes should be guarded against sporadic industries, declares Mr. Bassett, it is fully as necessary that the zoning plan should preserve along trunk line railroads abundant districts for industry. The original zoning plan for New York city provided for such areas liberally, not only for the present but for the distant future. It is evident that, as the city grows, new areas along the railroads and waterways will be needed by industry. These are carefully provided for in the zoning plan and a moderate degree of foresight on the part of the board of estimate will keep available industrial areas much greater in extent than the actual demands. One of the greatest wrongs that the local legislature of the city could bring about would be a shortage of space for industry in Greater New York.

Twelve More Michigan Cities Quit Power Plants.—Twelve municipally owned and operated electric service plants in Michigan were abandoned last year, according to a survey by the Michigan Public Utility Information Bureau.

In the earlier stages of electricity, when long distance transmission was unknown, every community in Michigan that wished electric service provided it locally. During those years 143 Michigan cities and villages bonded themselves for electric plants and distribution systems. But long distance transmission caused the replacement of local plants by central station service.

The 143 communities are now classified as follows: Seventy-five towns abandoned their plants, of which sixty-two changed over to complete service by private enterprise, while thirteen retained their local distribution systems. These are operated with power purchased from nearby utilities.

Fifty-nine cities still generate electricity locally. Of these fifteen purchase substantial quantities of power from neighboring utility companies. There are a half dozen modern and adequate municipal plants in the state. Most of the remaining cities operate on economy schedules, turning off street lights at midnight and rationing power to industries.

This leaves nine towns of the number which distribute municipally but which have never generated any electricity locally. They are communi-

ties that built distribution systems with public funds to obtain electricity from private companies.

✦

Decision on Texas Road District Bonds Causes Alarm.—In January, the supreme court of the United States handed down a decision restraining the sale of $300,000 worth of bonds, the proceeds of which were to be used to build roads in Road District No. 2 of Archer county, Texas. The court held that the enforcement of the tax to meet the bonds deprived certain owners of their property without due process of law and therefore contravened the fourteenth amendment. The Texas law under which the bonds were to be issued provided that the county commissioner's court must, upon demand of fifty property tax paying voters resident in any proposed road district in the county, order an election in the district to determine whether bonds shall be issued for road purposes. If two-thirds of the voters approve, the commissioner's court must issue the bonds and levy a tax to pay the debt as it matures. A year ago a petition praying for the establishment of Road District No. 2 and for the issuance of $300,000 worth of bonds to build roads was presented. In accordance with the law the district was created and an election ordered at which the bond issue was approved by more than the necessary two-thirds vote.

Residents of the northeastern part of the district discovered that they would not be benefited by the roads to be built and that their inclusion in Road District No. 2 would prevent them from creating a separate district during the thirty years in which the bonds were to mature. They therefore brought suit to restrain the issue.

The supreme court held that the proposed advalorem tax on the property to pay for the bonds was a special assessment and not a general tax. The legislature had not created the district and had not defined its boundaries. The district was not a municipal corporation, and the tax levy was not a consequence of a legislative determination because it was not made by the legislature or by a municipal body possessing legislative powers. Had the special district been a municipal corporation, the owners of property therein would have had no constitutional right to be heard on the question of whether the new roads, to be financed from general taxes, would benefit them. But when there is no legislative determination that property will be benefited, due process requires that owners of property to be taxed shall be given opportunity to be heard. The appellants had been denied all such opportunity and the act providing for such districts with powers as above outlined was held to be repugnant to the fourteenth amendment.

Great alarm was felt at once concerning outstanding road district bonds which, according to the *Bond Buyer*, amount to $75,000,000 for Texas alone. It was also seen that the decision may apply to districts other than those created for road purposes. The effect on bond sales (especially district bonds) can well be imagined and newspaper dispatches are to the effect that the sale of the bonds of Texas municipalities, as sound legally as ever, has been influenced adversely. A petition for a rehearing is now before the supreme court.

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Amended Standardization Plan Adopted in Detroit.—Detroit has taken another advance step in its municipal government. Under the present charter, which became effective January 1, 1919, the city budget is prepared annually according to regulations which are believed to be as efficient as any now followed in American municipalities. By action of the city council and mayor at a recent meeting of the council, a plan was adopted which, to a large extent, will provide the budget-makers, who are the mayor, council, and heads of departments, with a "yardstick" method of measuring salary adjustments, in line with classification of about 17,000 municipal positions.

This action results from about two years of study, in which city officials have been assisted by a score of civic organizations interested in the problem. These included the Detroit Bureau of Government Research, Board of Commerce, Detroit Citizens League, Associated Technical Societies, and others. The civic groups are loosely organized in a Governmental Committee, whose function is to co-operate with city officials in consultation for promotion of highest possible standards in municipal administration.

About two years ago, E. O. Griffenhagen of Chicago, representing the firm of Griffenhagen and Associates, was engaged to make a thorough survey of the Detroit situation as to positions and salaries. The Griffenhagen report, after many hearings with officials and civic groups, was filed officially with the civil service commission, under whose auspices the study had been made. About one year ago, the city council and civic agencies, with the Griffenhagen report

as a basis, began a series of conferences with heads of city departments, preliminary to adoption or rejection of the Griffenhagen report.

Naturally the probe aroused a vast number of controversial issues, particularly from the standpoint of municipal employees. Department heads, in many cases, also criticized severely classification details of the Griffenhagen report, or recommendations submitted as to promotions, minimum and maximum salaries, and the like. It was evident that any plan of standardization, if adopted, would sail very rough seas because of personal and political pressure from many opposing critics.

In spite of efforts by the conservatives, many of whom opposed any standardization scheme whatever, the council, mayor and civic agencies patiently worked out the problem, being advised at times by representatives of the Governmental Committee, whose chief spokesman was Capt. A. Harrington Place of the Research Bureau. The report, as submitted to the civil service commission and by it submitted to the city council last spring, was referred back for further study during last summer. It was then submitted again to the council, and ran the gauntlet of criticism and suggestion with a fair degree of success. Some of the most efficient and trustworthy department heads opposed the program, either as a whole or in details, on the ground that it would put too many restrictions on the freedom of administration which they felt necessary in order to carry on their work.

The final report, as adopted, includes substantial amendments which were the result of compromises in conference. It begins with a minimum salary requirement for positions, but deals generously with present employees who are to continue under the new plan. The most radical amendment practically eliminated maximum salary rates, in order to satisfy the demand for incentive in public service with a view to promotion. The scheme, however, carries with it the classification titles and salary rates generally recommended by Griffenhagen and Associates. On the other hand, it is admitted that the "yardstick", though available as a general guide, must be interpreted by the council with a large degree of elasticity.

The civic agencies interested, while disappointed in not attaining their ideal, finally agreed to support the amended plan, regarding it as a beginning of better things. Council members and the mayor have sincerely tried to harmonize conflicting differences among city employees and department heads, and they definitely promise that the plan will be stiffened and strengthened after a year of trial. It was adopted just in time to be available for the budget-makers, whose four months' task began January 1.

WILLIAM P. LOVETT.

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Reduction Proposed in Newport's Mammouth City Council.—Dissatisfaction has developed in Newport, Rhode Island over the unique form of city council which attracted so much attention about twenty years ago. This council consists of 195 members, thirteen being elected biennially from each of five wards for a six-year term. The original plan provided for annual elections and three-year terms but this was changed in 1921. The chief advocate of the plan at the time it was instituted was Rear-Admiral F. E. Chadwick, then retired and living in Newport. In a paper read before the 1907 meeting of the National Municipal League in Providence, Admiral Chadwick described and defended his plan. The idea was to get back as nearly as practicable to the New England town meeting ideal. The Brookline scheme was accepted as a pattern but the purpose of establishment was different in each case, since Brookline's problem was to reduce the town meeting while Newport's was to enlarge the city council. In Newport there is a mayor and board of five aldermen, but the system cannot be said to be bicameral since the representative council exclusively controls the appropriations, appointments, and ordinances. The mayor and board of aldermen have merely the function of overseeing the city departments and reporting thereon to the representative council, for which purpose they not only submit reports in writing but also appear in person at the council meetings to answer questions. Elections are held in December and are non-partisan, all nominations being by petition.

Criticism of the plan centers chiefly on the lack of public interest which has its reflection in the failure to obtain good men to stand for the council. It is admitted that, probably due to its being a novelty, this was not true in the beginning, but interest and high quality membership have tapered off in process of time and it is now usually difficult even to obtain a quorum for the meetings. The new bill has been introduced into the legislature by Fletcher W. Lawton, a member from Newport and chairman of the

important judiciary committee which has charge of the bill. It reduces the council to twenty-five, five from each ward, changes the election to the regular November date, and provides for partisan nominations.

In addition to the reasons back of the proposed change which have already been mentioned are some which arise from the particular conditions in Newport. It is to be remembered that, in Rhode Island cities, only those persons taxed on $134 worth of property may vote for city councils. This figure, which was determined by the actual value of the old forty pound freehold requirement at the time the country changed from pounds to dollars, is of course absurdly low today. It is felt that too many of the personal property holders get into the council, having themselves assessed for this purpose to the extent of only $200. A smaller council would probably have elected to it a larger proportion of real estate tax payers. However, a partisan motive may be at work here, since the lower payers tend to be Democratic and the higher Republican. On the other hand, many fear to permit the council to become too small, lest the millionaire summer residents, who pay about seventy per cent of the taxes, obtain too great an influence over it.

At present writing, the bill is in committee stage and a hearing will probably be held. A survey of the situation indicates that there is little doubt but that the bill will pass. Public opinion is unaminous for a change as everything seems wrong with the present government.

In the meanwhile the president of the Rotary Club has asked for a city manager but there is no probability that any amendment will be made to the present bill to include this. In connection with the suggestion, however, it is interesting to note that Admiral Chadwick in his 1907 address praised the German burgomaster system, although he gave no other hint of foreseeing the development in America of the city manager plan. It is probable that a thorough revision of the charter will be undertaken in the not distant future.

C. C. Hubbard.

Brown University.

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Spendthrift Cities

Editor, National Municipal Review:

Sir: As the National Municipal Review becomes more useful each year for recital of facts and exchange of opinions in the municipal field, I assume that the editor or his readers will appreciate a word of dissent from the article by Nathan Matthews, former mayor of Boston, on "Soundness of Boston Charter Demonstrated by Fifteen Years' Experience."[1]

Mr. Matthews supports well his position favorable to the Boston charter procedure since 1909. I have heard no serious questions asked from authoritative sources on this general proposition. But as to the conclusion which he reaches concerning the special functions of the Boston finance commission, based on comparisons with other cities, the distinguished ex-mayor of Boston falls into the same error which he committed before the meeting of the National Municipal League held in Boston in 1924.

On that occasion, Mr. Matthews reviewed the history of the Boston finance commission, discussed the comparative tax rates and municipal debts in Boston and other cities, and by such comparison, without a word as to the varying conditions of municipal construction and expenditure in other cities, concluded that Boston was infinitely superior, not only in its finance commission system, but in its refusal to invest tax monies in any large way for purposes of public improvement, beyond the customs or habits of years gone by.

I raise the question whether Mr. Matthews' conclusion, based on his comparisons, is justified by the facts either in Boston or in the eleven other cities with which comparison is made. Briefly he says that the Boston system, including its beneficial reforms, is "a complete system of checks and balances upon the expenditure of municipal money." With this and other points in the plan there are no doubt wise authorities who will differ on the principle involved, but he further says, "The American people are a spendthrift nation, both as individuals and when organized as municipal corporations."

Mr. Matthews decries "the race for extravagance." He admits in Boston "extravagant and unnecessary expenditure of the past fifteen years," and "scandals which have been exposed from time to time by the finance commission." But the point I raise particularly is covered in the following sentence: "It can be said of course that the different cities are differently situated with respect to the necessity for large expenditures and loans." In the entire article, purporting to have scientific value, this is the one single

[1] Published in the Review, November, 1925.

statement on a basic element in the problem which, in my judgment, should be greatly developed and buttressed by investigation of facts if the complete argument of Mr. Matthews is to be accepted. Instead of furnishing facts, he concludes, "but this argument is usually put forward as an excuse for extravagance in individual cases."

Viewing with alarm the alleged reckless expenditures of other cities, Mr. Matthews says, "When we note what has been going on in these other cities, no impartial observer can deny that the difference between the financial conditions of Boston and that of the other cities is due to the adoption here and here alone of the financial changes of 1909 and to the work of the finance commission."

In the field of scientific study, I venture to submit this question: Where are the facts showing that Boston itself has not suffered by undue restraint of expenditure since 1909?

I do not profess to know, but I am skeptical of the conclusion reached by Mr. Matthews on the data which he furnishes or fails to furnish. Casual visiting in the Hub City certainly suggests many directions in which the people of Boston might have profited by greater investment of their funds in public improvements here or there.

Is it scientific and trustworthy as a method, simply to talk about the tax rates and municipal investments, known as debts, with absolutely no facts at hand by way of comparison showing the tremendous differences among different cities as to the need for expenditures? During the National Municipal League session more than a year ago, when Mr. Matthews took a similar position, Dr. A. R. Hatton and others replied as I am now replying, that if he knew conditions of rapid municipal growth in such cities as Cleveland, Kansas City, Chicago, Los Angeles, Pittsburgh, and Detroit, his whole line of argument would be quite different.

All of which, stated above, in no sense is a criticism of the Boston plan either for Boston or possibly other cities. It is a criticism, and a serious one, of the common habit which too many men in public life follow, of estimating financial programs, as to merit or demerit, solely on the basis of tax rates, municipal debts and total expenditures.

Without knowing local conditions of need, I contend that it is utterly futile thus to compare cities or to estimate the value of methods in one's own city. A municipality, unlike an industrial corporation, is not in business for profit but for service, though principles of economy should apply equally in both cases. The test of municipal efficiency often may be not how little, but how much, has been expended as wise investment in services absolutely needed by the people.

W. P. Lovett.

The Governor and the Public Service Commission of Pennsylvania.—The public service commission of Pennsylvania is an agent of the state legislature. It fixes rates and service standards by virtue of authority vested in it by the legislature. The governor of the state has a share in appointing and removing members of the commission, but only by legislative sufferance; and this power could be taken from him at any time by legislative action.

Such is the substance of a decision handed down by the highest court of Pennsylvania in November, 1925. The Public Service Company Law of 1913 provides for the dismissal of members of the commission by the governor and the senate, after charges have been preferred and a public hearing held. Such an arrangement is customary. Of the forty-seven states having public service commissions, apparently only four authorize the governor to remove commissioners at his pleasure.

Last July, however, Governor Pinchot demanded the resignation of a member of the public service commission, and, when he refused to resign, summarily dismissed him. Less than a week later another commissioner was given a permanent vacation. The governor based his right to ignore the prescribed form of dismissal on a clause of the state constitution which provides that "Appointed officers . . . may be removed at the pleasure of the power by which they shall have been appointed." Since he was the appointing authority, maintained Mr. Pinchot, he had the sole right of dismissal, and any statute limiting his power in this respect was *ipso facto* unconstitutional.

The dismissed commissioners, who claimed that they were still legally members of the public service body, naturally disputed the statement that the governor was the appointing authority. Since nominations made by him were subject to the confirmation of the senate, they maintained that the appointing authority was not the governor, but the governor and the senate.

It seemed that the case would turn upon the interpretation of the phrase "power by which they shall have been appointed."

But the court considered this point of minor importance. It went back as far as *Munn* v. *Illinois* to demonstrate the legislative nature of rate making. The legislature could fix rates itself, but it chose to act through a commission. Therefore it could, if it desired, appoint and dismiss the members of the commission. Instead it gave the governor a share in the matter, at the same time imposing conditions on his freedom of action. These conditions must be respected. Such, in brief, was the court's line of reasoning.

Governor Pinchot's action in dismissing two members of the public service commission was taken because of his dissatisfaction with the manner in which it treated the application of the Philadelphia Rapid Transit Company for increased fares. In September, 1924, the utility was permitted to raise its fares temporarily before the city of Philadelphia had finished preparation of its side of the case. The governor made no effort to conceal his displeasure. He declared that it was the duty of every public service commission "militantly to protect the public interest," which is likely to receive little protection from any other source.

During his term of office Mr. Pinchot made sweeping changes in the personnel of the commission. In addition to dismissing two members, he failed to offer recess appointments to two others whose names had not been approved by the senate, and accepted the resignation of another commissioner with the comment that he had intended to dismiss him.

The immediate effect of the court's decision vesting control in the legislature was to restore to their places on the commission the two members who had been dismissed. Four of the other five commissioners were appointed by Mr. Pinchot, however, and it was thought that his viewpoint would dominate the body. But when the Philadelphia Rapid Transit case finally came to a vote the temporary increase in fares was made permanent, one of the governor's appointees, John L. Stewart, casting the deciding vote. The legislature convened in special session the next day, and Governor Pinchot hastily withdrew Mr. Stewart's name from the list to be sent to the senate for confirmation, substituting the name of a deputy in the attorney general's department.

Said the governor: "In September, 1924, the public service commission acted with indecent haste in making a temporary fare . . . for the Philadelphia Rapid Transit Company, and without full and fair consideration for the rights of the people. Their action was so grossly improper that I was compelled to make a vigorous protest against it. . . .

"Two days ago, with the same indecent haste, a bare majority of the seven commissioners, . . . when important phases of the case had not been fully studied and reported on by the commission's experts, forced a decision in the Philadelphia Rapid Transit fare case. In the face of the declaration of two commissioners that they were not yet ready to act, in the face of the fact that important information in the hands of the commission had not yet been digested, a bare majority of the commission steam-rollered the minority and once more rendered hasty judgment."

Both houses of the legislature are politically hostile to Governor Pinchot, and one of the senate's first acts was to order the secretary of the commonwealth to transmit the commission of appointment of John L. Stewart, whose name had been withheld. It then proceeded to confirm the appointment of Stewart and one other man selected by the governor, refusing to approve the other names submitted to it. At present, therefore, the public service commission consists of five members instead of seven, all but one of them more or less openly hostile to Mr. Pinchot and his policies. Control of the commission has passed definitely into the hands of the legislature.

Austin F. Macdonald.
University of Pennsylvania.